



Daily Report

East Europe

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NOTICE:

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Italy To Deploy Army To Control Immigration

AU0905182395 Tirana REPUBLIKA in Albanian
7 May 95 p 1

[Editorial: "The Danger Comes From Albania"]

[FBIS Translated Text] As of tomorrow, Italy will deploy its Army in order to defend its southern coast from the tide of clandestine immigrants setting out from Albania, a traffic that is organized on both sides of the Adriatic.

This measure has been taken after a flood of illegal migrants. In the last six months alone, the Italian Coast Guard has repatriated about 8,000 clandestine Albanian immigrants. The presence of Italian soldiers on the coast opposite Albania arouses a quite different feeling from that created by their participation in Operation Pelican in Albania during the difficult years of 1991 and 1992.

This is indeed an internal administrative measure taken by the Italian state, but there is no way that the problem can be solved by one side alone. Albania and Italy are two countries that have helped each other throughout history, since the Middle Ages. During World War II, the 25,000 Italian soldiers stranded in Albania were treated very kindly by the population.

Italy is Albania's main trading partner, and Italy's relations with Albania must be strengthened. Italy, a member of the G-7, is Albania's real gateway to Europe. There is therefore a need for greater Italian investment in our country. Geographic proximity, historical ties, language, temperament, and, especially, political interests all dictate such a thing. Concessions for long-term visas for Albanian businessmen are necessary in order to give a fresh impulse to the development of bilateral trade. The establishment of consulates in the coastal cities whose ports handle most of the traffic between the two countries would help in this direction.

Emigration is a new and important ingredient in strengthening ties between our countries. Where problems of emigration are concerned, the Albanians must not be lumped in the same class as others. The fact that many young men who go to Italy find work shows that the possibility of legalizing emigration exists. One must also not forget the benevolent attitude of the local Italian authorities in certain provinces in helping Albanians find work, and in some cases even supplying them with documents. One must also not fail to mention the fact that Italy has never used the Albanians on its territory as political hostages, in the way that Greece has made a standard practice of doing.

The Italian Government's recent decision to deploy the Army on its own southern Adriatic coast must make the Albanian Government take serious thought. The bat-

tle against clandestine emigration to Italy must start on our shores. The press has been writing for a long time about the "export" of smuggling, drugs, and organized prostitution that is managed by groups with connections on both sides of the Adriatic. Nevertheless, the measures taken by our government to restrain a phenomenon that will wreak havoc tomorrow are nil. The responsible Albanian authorities must be stricter toward the Asian and Kurdish "pilgrims" who have made the Albanian coast their Mecca. Such a responsible attitude on the part of Albania would make Italy better disposed employing of Albanian immigrants in Italy and—why not?—toward easing the procedure for organized employment—possibly seasonal—in the near future.

Italy's New Immigration Policy Criticized

AU0905182195 Tirana GAZETA SHQIPTARE
in Albanian 7 May 95 p 1

[Interview with Republican Party Chairman Sabri Godo by Fatos Baxhaku in Tirana; date not given: "Godo Criticizes: Italy Should Ease Visas"]

[FBIS Translated Text] [Baxhaku] Italy has decided to deploy the Army against refugees coming from Albania. What would be your comment on this?

[Godo] I am taken by surprise. It is something that leaves a bitter taste in one's mouth. Such acts expose Albania unnecessarily in the eyes of Europe and tarnish its image among the Italian people themselves.

[Baxhaku] Italy's move is really insupportable.

[Godo] Italy is within its rights, to protect its territories. It has already been proven that along with the illegal refugee traffic, drug smuggling and traffic in prostitution are taking place, too. This speaks of a total lack of responsibility on the part of the Albanian state, which has no reason on earth to become a center of this international traffic. However, my opinion and the opinion of the Republican Party [PR] is that other means ought to have been used, and should still be used.

[Baxhaku] What are these means, according to you?

[Godo] First of all, intensive consultations between the two governments are needed. We think that our relations with Italy are good but not yet at the desired level. They could be better. Now, opening consulates in Bari and Vlora has become an absolute necessity. The fact, then, that Albanian boys can find jobs in Italy, albeit in illegal ways, shows that much more ought to be done for the Albanian emigration to Italy, in order to organize it on a lawful basis. The Italians must give priority to this problem because Albania is always looking toward Italy. We have always helped each other during hard

times. Besides, lawful emigration would be an important factor for the development of the relations between our two countries. Furthermore, for Albanian traders and families—in order to avoid casualties—the system of Italian visas must be further liberalized.

PAD Invites Other Parties To Discuss Land Law

AU0905181995 Tirana ALEANCA in Albanian

4 May 95 p 2

["Press Communique" issued by the Democratic Alliance Party in Tirana on 2 May]

[FBIS Translated Text] Interested in enhancing the areas of free initiative and market economy, and following closely the political and economic developments in Albania, the Democratic Alliance Party [PAD] considers indispensable the law on land transactions, which contains premises and guarantees for proper capitalist economy in Albania.

PAD reemphasizes its commitment to honoring the land law. It recognizes the present status quo of land division and is in favor of maintaining it.

PAD is of the opinion that on the basis of this law and the status quo, the Albanian Government should act quickly and energetically to:

- a) Give the farmers proper documents certifying their property ownership by the land registry.
- b) Register the land of the current owners, as security for the invulnerability of their property.

In the meantime, PAD is interested in seeing the problem of the former owners of agricultural land solved in the best, fairest way possible.

Considering this matter a most important political, social, economic and juridical problem, PAD thinks that it cannot be solved by one party alone, either through administrative measures or by voting.

With, as motive, the liberal concept according to which rights cannot be properly guaranteed and harmonized through the vote mechanism;

And prompted by the humane concept of the coexistence of, on the one hand, the sacredness of private property, and, on the other, the right of every individual to share land benefits;

And judging from a realistic assessment of the fact that the problems of former and new owners of land in Albania are interwoven;

And being of the opinion that the law on agricultural land compensation through vouchers and bonds does not guarantee a tangible solution to the problem, PAD proposes:

1. A roundtable negotiation attended by the Right League, the PDD [Right-Wing Democratic Party] the PD [Democratic Party], the PAD, the PSD [Social Democratic Party], the PBDNJ [Union for Human Rights Party], and the PS [Socialist Party], in order to find by consensus a just solution to the problem of the former owners of agricultural land owners.

2. Without prejudging the final solution that we hope will result from this roundtable, the PAD as a tangible and concrete solution of this problem PAS proposes physical land restitution from the existing state-owned property.

[signed] Democratic Alliance Party Tirana, 2 May 1995

Omonia Leader Denies 'Split' in Organization

AU0905165695 Tirana KOHA JONE in Albanian

9 May 95 p 3

[Interview with Sotir Qiriazati, general chairman of Omonia, by Ilir Babaramo; place and date not given: "Greece 'Sells Out' the Five"]

[FBIS Translated Text] *The meeting of the General Council of Omonia held in Sarande last Saturday [6 May] has provoked reactions. It was the independent Greek-language newspaper LAIKO VIMA, published in Gjirokaster, that published the first report of a split in the Omonia ranks, news that was also carried by a section of the Albanian press.*

The question is whether the five persons that the Albanian courts convicted on charges of spying for Greece and unlicensed possession of firearms will continue in the same leadership positions in the Greek-minority organization Omonia that they held before their arrest.

The Omonia General Council will meet next Saturday [13 May], while Omonia General Chairman Sotir Qiriazati told KOHA JONE that the five are on vacation.

The peace established two months ago between the Albanian and Greek governments seems to have relegated the five to the political sidelines. This is perhaps the reason why Papakristo, one of the five, recently met Greek opposition leader Miskiadh in Athens, a meeting that Qiriazati describes as of a private nature. The term "private" used by Qiriazati suggests a disparagement of the mission of the five, who he claims are no longer received officially by Athens. Even if there is no conflict, from what Qiriazati says, it appears that the Omonia leaders are at least shunning each other, and Greece is no doubt in the middle. The five are throwbacks to a time of friction that both countries want to forget....

[Babaramo] Did Sunday's press report a split in Omonia?

[Qiriazati] That was a false report in LAIKO VIMA, which was used by some other newspapers. There is no split in Omonia. There are various opinions within Omonia that are expressed at different meetings. It is natural for every organization and party to contain different views. That is democracy. There is no split and there is no friction or anything out of the ordinary.

[Babaramo] What was the agenda of the meeting of the Omonia General Council in Sarande on Saturday?

[Qiriazati] The agenda included a regular report on the work of the General Council between one meeting and the next, and the statute and program were discussed.

[Babaramo] Was the question of the five discussed?

[Qiriazati] The absence of the five from the meeting was raised as a problem, and a reply was given.

[Babaramo] And what was this reply?

[Qiriazati] The reply was that the five had requested time for a vacation in order to relax.

[Babaramo] Have they gone on this political vacation with the approval of the presidium?

[Qiriazati] Yes. It is only human for people to rest. They themselves will decide what they will do.

[Babaramo] Was Papakristo, one of the five, present at the General Council meeting?

[Qiriazati] Yes, he was. He came himself. Nobody told him to leave. There was no particular problem.

[Babaramo] Was there any friction between Papakristo and yourself?

[Qiriazati] There was no friction.

[Babaramo] Or polemics?

[Qiriazati] The exchange was as I have told you. He could have stayed. He was not invited because he was on vacation. He had arrived. Why should he leave?

[Babaramo] A short time ago Papakristo, who attended the meeting, had met Greek opposition leader Miski-adhi.

[Qiriazati] This is a problem for the two of them. It was a private meeting.

[Babaramo] When in Greece, did he complain about Omonia's present leaders?

[Qiriazati] I do not know.

[Babaramo] For you, as general chairman of Omonia, are the five welcome to retain the posts they have occupied heretofore?

[Qiriazati] That will be decided by the General Council meeting. I cannot tell you now.

[Babaramo] Will the five be discussed on Saturday?

[Qiriazati] We as a presidium have not planned it. If someone from the floor raises the question, let it be discussed.

'Silence' Following Tetovo Trial Deplored

AU0905192995 Tirana RILINDJA in Albanian
7 May 95 p 4

[Commentary by Qemal Aliu: "An Ominous Silence"]

[FBIS Translated Text] The sentencing of Professor Dr. Fadil Sulejmani, rector of the University of Tetova, to two and one-half years' imprisonment and the conviction of Milaim Fejziu, chairman of the Forum for the Protection of Human Rights and Freedoms in Gostivar, have been condemned by Albanian circles as an act of violence and discrimination against all Albanians. The identification of the overwhelming majority of the Albanian population living in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] with these two intellectuals was to some extent demonstrated by the rally organized on the first day of the trial, at which tens of thousands of people protested against the violence the Macedonian regime is waging against the Albanians.

If one looks at these matters more closely, the sentence has been pronounced not against individuals—not even against Dr. Sulejmani and Milaim Fejziu—but against the Albanian University of Tetova, which the Macedonian regime thereby wishes to keep under lock and key for two and one-half years. We seem to have exhausted ourselves protesting in the Albanian newspapers and on Albanian television and radio stations, as if this were enough.

We must put out of our heads the illusion that the Macedonian regime is bothered when we insult it in newspapers and at protest rallies. Only condemnation from abroad causes a headache to this discriminatory regime. It is on these scales that we must weigh the effects of our response to the sentences in the Tetova court.

The international pressure exerted against Albania over the sentencing of the five members of the Greek minority is still fresh. This verdict was all the time a central theme of the main world media. The commentaries of various news agencies condemned the Albanian state for "trampling on human rights," while the EU and the U.S. State Department exerted direct pressure on Albanian officials to "respect these rights." How was all this

achieved? It was above all a result of the diplomatic activity of Athens and its influence on the international community.

Where do we stand? Do we represent at least a small-scale factor in the international arena, or do we deserve to be ignored and despised in such a way even when they murder us and torture us in prisons, and when they discriminate against us in daily life?

The silence of the international community over the case of the University of Tetova and the sentencing

of its rector to two and one-half years' imprisonment is a warning to all Albanian authorities, including diplomats, that our work and commitment have not been sufficient at least to provoke and sensitize the international community to the need to solve this case. Is this silence of the international community not a poor augury for the solution of the Albanian question in general?

Zhelev Notes Differences in Marking V-E Day

*AU1005111095 Sofia Khorizont Radio Network
in Bulgarian 0900 GMT 10 May 95*

[FBIS Translated Text] After taking part in the celebrations marking the 50th anniversary of V-E Day in three European capitals—London, Paris, and Moscow—President Zhelyu Zhelev today returned to Bulgaria on a scheduled Air Balkan flight. The president said the ceremonies had exceptional, even historic importance, and added:

[Begin recording] The fact that the event was not treated identically in the different countries is very interesting. Nevertheless, the common and natural intention was to stress the international reconciliation of the nations under UN auspices, and it was under this slogan that the celebrations in all three capitals took place. This notwithstanding, the style of the celebrations was different in each capital. This also applies to the attitude toward the participants from East and West Europe—winners and losers in the war. There were differences in the attitude toward them, and this is very natural and understandable. [end recording]

That is what President Zhelev said minutes after returning from Moscow. He also said that in the next few days he will meet with journalists and answer their questions.

Videnov Returns From Moscow, Assesses Talks

*AU1005111795 Sofia Khorizont Radio Network
in Bulgarian 0400 GMT 10 May 95*

[FBIS Translated Text] Prime Minister Zhan Videnov returned from Moscow shortly after midnight. Asked by journalists to comment on the fact that heads of states did not attend the military parade in Moscow on the occasion of the 50th anniversary of V-E Day as a protest against the war in Chechnya, Mr. Videnov said:

[Begin recording] I think the European states must be consistent in interpreting Russia's internal problems. The human tragedies related to the great number of victims are hardly directly related to the celebration of a victory of 50 years ago, which will never lose its importance. [end recording]

Asked about the results of his talks in Moscow and whether the visit has built new bridges, Prime Minister Videnov answered:

[Begin recording] I think that in my meetings with the chairman of the State Duma and the Russian Federation prime minister we succeeded, albeit briefly, in confirming our intention to maintain most intensive relations between the basic state institutions of the legislative and executive powers. The same applies to future cooperation at international forums. We also

discussed Prime Minister Chernomyrdin's upcoming visit to Bulgaria, during which we will be able to benefit from the fact that today we resolved certain small technical issues.

As far as the bridges are concerned, Europe has knocked down many walls; I think there is no need to destroy bridges. On the contrary: new bridges should be built. This is very difficult, but the Moscow celebrations inspire hope.

[Unidentified journalist] Did you have an opportunity to feel the so-called Russian reservations toward Bulgaria, about which there have been recent commentaries in the press?

[Videnov] No. There was no time or reason to do this. On the other hand, I do not think those reservations are indeed a fact. The celebrations and the upcoming talks presuppose a most benevolent mutual relationship. [end recording]

In a brief conversation with Romanian President Iliescu, Prime Minister Videnov touched on the issue of the notorious Danube bridge. Mr. Videnov admitted that he did not have much success, but he expressed confidence that the issue will be successfully resolved in the future.

Bulgaria's position toward NATO was not discussed in the talks with the Russian leaders, the prime minister said.

Government Seen as Seeking To Curry Favor

*AU1005101295 Sofia DEMOKRATIYA in Bulgarian
6 May 95 p 3*

[Commentary by Milena Boyadzhieva: "Zhan Proposes, Moscow Disposes"]

[FBIS Translated Text] Answering an interpellation in the National Assembly on 5 May, Prime Minister Zhan Videnov stated openly for the first time that the government he leads will not take any steps related to NATO membership in the near future. He told parliament that Bulgaria would request membership in NATO only if this does not contradict the interests of another state—i.e., if the Kremlin allows it. Apparently, the time of shilly-shallying and general tales is over, and now it has officially been stated that Bulgaria will not request membership in NATO, the only thing that could guarantee our national security.

The prime minister is not interested in the Visegrad Four's efforts to ensure their NATO membership. The Socialists are in power both in Poland and Hungary, but national security there is much more important than Moscow's suggestions. Recently, the Kremlin objected to the eastward expansion of NATO. Zhan Videnov's

stories that during the period of the Warsaw Pact there were never foreign troops on Bulgarian territory were a scandal. We all remember the period of our country's limited sovereignty, when Moscow used to determine even what weapons our soldiers used, and when Bulgarian soldiers were sent to throttle the Prague Spring on the instructions of the Warsaw Pact.

Intoxicated by his cabinet's 100th day in office the prime minister practically admitted that he is making a turn in Bulgaria's foreign policy—reverence to Moscow. Despite all Sofia's flattery and fawning, however, Moscow has not shown particular favor for Videvov's cabinet in these 100 days. On the contrary, the Kremlin has slapped down the cabinet several times: Russian Prime Minister Chernomyrdin postponed his visit to Bulgaria, and President Yeltsin refused to receive National Assembly Chairman Sendov. Apparently, Moscow's demands are much more serious. Only Zhan knows their real nature.

Forum on Economic Cooperation With Netherlands
AU0905122995 *Sofia Khorizont Radio Network*
in Bulgarian 1017 GMT 9 May 95

[FBIS Transcribed Text] Sofia, May 9 (BTA)—There are now tangible preconditions for expanding economic cooperation between Bulgaria and the Netherlands, said the Netherlands Ambassador here, Franciscus W.J.M. Brouwers, at the opening of a Bulgarian-Netherlands business meeting. The forum is co-organized by the Bulgarian Chamber of Commerce and Industry and the Netherlands Council for Promotion of Trade. Attending are officials of the ministries of industry, of trade, and of foreign economic cooperation.

The head of the Netherlands delegation voiced his hope that the business contacts between Bulgaria and the Netherlands will continue to develop.

Netherlands imports in Bulgaria in 1994 amounted to \$165 million, up by \$60 million from the previous year. Bulgarian exports to the Netherlands in this period rose by some 18 percent, to reach a total of \$87 million, said the head of the Netherlands delegation. He also said that businessmen in his country are mostly interested in the Bulgarian farming and food processing industry.

Democratic Left 'Position' on First 100 Days
AU1005111195 *Sofia DUMA in Bulgarian* 8 May 95
p 7

["Position on the 100 Days of the Democratic Left Government"]

[FBIS Translated Text] Any new government's first 100 days in office are a period during which society

assesses that government's intentions, competence, and work. According to an unwritten rule, during that period the sociopolitical forces provide relative calm in the political arena to allow the government's institutions to assert themselves and demonstrate their ability to act as organs of executive power.

The Democratic Left government's first 100 days are analyzed and assessed in light of the postulates, goals, and responsibilities contained in the program documents of the Bulgarian Socialist Party (BSP), the Aleksandur Stamboliyski Bulgarian National Agrarian Union [BZNS], and the Ecoglasnost Political Club.

The assessment takes into account the government's unfavorable inheritance and the country's socioeconomic situation at the beginning of 1995:

- half-destroyed state institutions;
- the collapse of production and the economy;
- high domestic and foreign debts;
- a high rate of regular and economic crime;
- a sharp decline in the standard of living and widespread poverty.

The BSP Supreme Council, the Aleksandur Stamboliyski BZNS Permanent Board, the Executive Council of the Ecoglasnost Political Club, and the Democratic Left parliamentary faction:

1. Adopt the political analysis of the Democratic Left government's 100 days.
2. Assess the government's activity positively, as a successful start to establishing administrative foundations for implementing the coalition organizations' election platform.
3. Recommend that the government complete the institutionalization and stabilization of its organs as soon as possible, renewing the functions and tasks of all ministries, commissions, and agencies to ensure the efficient governing of the state without "white spots" or duplication of responsibilities, rights, and duties.
4. Approve the government's normative-organizational measures and efforts to ensure strict observance of the law, combat crime, and assert principled financial-economic relations in economic life. Decisions related to these matters should have been adopted earlier.
5. Approve the policy contained in the governmental program for 1995-98 and recommend that it be supplemented with concepts about pricing, basic parameters of structural reform, forestry, geology, water transportation and civil aviation, posts, standardization, and other important public activities.

6. Adopt the Democratic Left parliamentary group's legislative priorities for the National Assembly's 1995 spring-summer session;

7. Instruct the parliamentary faction leadership to prioritize the comprehensive program of legislative for the 37th National Assembly on the basis of the obligations arising from the Constitution, the commitments contained in the coalition's election platform, the 1995-98 government program, and the cabinet's program to harmonize Bulgaria's legislation with EU legislation.

At the beginning of each National Assembly session and in accordance with the current socioeconomic and political situation, government policy, and the extent to which bills are ready, the Democratic Left parliamentary faction should specify its legislative tasks related to implementing the long-range legislative priorities.

[signed] BSP Supreme Council, Aleksandur Stamboliyski BZNS, Ecoglasnost Political Club, and Democratic Left parliamentary faction 7 May 1995

Klaus Interviewed on V-E Day, Bosnia, Slovakia
LD0905232695 Prague Radiozurnal Radio Network
in Czech 1617 GMT 9 May 95

[FBIS Translated Excerpt] In his regular interview for Czech radio, Prime Minister Vaclav Klaus today assesses the ceremonies marking the anniversary of liberation and discusses the Bosnian conflict, movement within certain political parties, and Czech-Slovak relations. The interviewer is Miroslav Konvalina. [passage omitted]

[Begin recording] [Konvalina] Many politicians both at home and abroad have complained in connection with the celebrations of the end of World War II that the Balkans pose the threat of a global conflict not only for Europe but for the world. You had a chance to discuss the war in Bosnia with American politicians in the United States. Have you felt any of that bewilderment regarding the former Yugoslavia, which appears to be spreading out from the other side of the Atlantic?

[Klaus] First, I would like to say that, however tragic and humanly horrific the conflict in the former Yugoslavia may be, I think it does not pose the threat of a global conflict. I would not view the situation as black as that. I am fully convinced that this is not a conflict that will spread to other parts of the world.

This issue was naturally talked about in America. The word bewilderment, I think, may be a bit strong. It has become apparent, however, and it was demonstrated a thousand times, that it is most difficult to interfere from the outside with domestic situations in individual countries. We already have several countries in the former Yugoslavia, but the moment when it was appropriate to recognize them as independent states has been disputable from the beginning.

My main impression from my talks on this issue with President Clinton and the secretaries of state and defense is that the views are becoming balanced. Originally, more one-sided views prevailed regarding who is the guilty party and who is the victim. I think the view today is becoming more balanced. Everybody in Yugoslavia is guilty, and everybody is a victim. In my opinion, we can only start from this point. Looking for one-way solutions means looking for something that leads nowhere. [passage omitted]

[Konvalina] Relations with Slovakia are again becoming a burning issue. Last week, in your absence, the government decided to prepare for the abolition of the payments agreement with Slovakia. Prime Minister Meciar is again asking for gold and the Bojnice altarpiece. New problems and revived problems between our coun-

tries are blossoming like spring trees. Do we have a hot summer ahead of us in this respect, Prime Minister?

[Klaus] Let us not dramatize this in this way. We should not take at face value each and every one of all the utterances that crop up and that, without a doubt, are intended as preparatory negotiating positions. I am not all that perturbed by them. You know well that Dr. Jiri Weigel, the head of my advisory team, is in Bratislava today for preliminary preparations for talks that should take place in the foreseeable future. So, let us wait and see what he will come back with this evening or—as it seems one day—not be enough—tomorrow.

[Konvalina] Prime Minister, thank you for the interview.
[end recording]

Havel Assesses State of Relations With Germany
AU0905072995 Frankfurt/Main FRANKFURTER
RUNDSCHAU in German 6 May 95 p 7

[Interview with President Vaclav Havel by Ulrich Glauber; place and date not given: "Dismantling an Entire Legal System Is Inconceivable"]

[FBIS Translated Text] [Glauber] Mr. President, our conversation is taking place at a time when the 50th anniversary of the collapse of the Nazi dictatorship is being commemorated. Half a century later, the main obstacle in the way of reconciliation between Czechs and Germans is still the problem of the Sudeten Germans, who were expelled after World War II. Following a visit by German President Roman Herzog in the middle of last week, you said that the Czech side had launched enough initiatives to achieve agreement and that it was now the Germans' "turn." What initiatives were you referring to and what should the German side now do in concrete terms?

[Havel] These initiatives are not entirely new. In 1991, I held discussions with the German side on possible conciliatory moves regarding the Sudeten Germans. My proposals at the time were relatively generous. Then, it was still possible for us in the Czechoslovak Federation to possess dual citizenship. An element in my proposals was that all those who previously possessed Czech citizenship could reapply for it without losing their German citizenship. Had they reacquired Czechoslovak citizenship in this way, it would have been possible for them to participate in the coupon privatization process. At the time, state property worth hundreds of billions of korunas was effectively distributed among the citizens through share ownership certificates; that is, the question was not one of restitution (the return of confiscated property), of some kind of legal revision of ownership rights following the end the war. It was a question of certain gestures. The German side did not respond then.

Now, under new conditions, in a changed situation, Foreign Minister Josef Zieleniec has undertaken similar moves. This time, they are even more precise and complex. The proposal is an interim one. It has been discussed by our press and parties for some time now. I personally identify with the proposals made by Zieleniec—they envisage the possibility of rapidly granting Czech citizenship to all those who possessed Czech citizenship at one time. They also involve the formation of a joint Czech-German foundation for the purpose of supporting various projects. The projects should serve to improve and have a calming effect on mutual relations; projects that are oriented toward the future. In this case too, it is necessary to say that these are conciliatory moves on our part, but they are not some kind of revision of the outcome of World War II. We can differ in our opinions about what happened at the end of the war. I gave my critical viewpoint a long time ago. However, the dismantling of an entire legal system is inconceivable, especially in view of the fact that many old legislative acts have ceased to have any practical validity.

[Glauber] Czech newspapers have written that they can envisage a joint declaration in the Czech parliament and the German Bundestag that would state that neither nation wants to revive any kind of claims stemming from the past. To what extent would such a declaration differ from what is already contained in the German-Czechoslovak Treaty on neighborly relations?

[Havel] I believe that it would be a certain, small step going beyond the treaty; it would not have the legal force of a treaty, but would be more of a declaration of intent. The treaty on neighborly relations excludes certain problems. At the time, both sides assumed that there were certain problems we could not solve in view of the legal systems in both states. If there really was such a declaration of intent, then it would amount to going a step further, because it would show that there is political will not to return to the insoluble problems of the past. Whether there is to be such a declaration is something on which I cannot comment. If it is the case, then it should not impinge on the existing legal system in Germany. It must figure as an acceptable solution for both sides. Thus, such a step would have a political dimension but would not impact on the legal systems of both states.

[Glauber] What lies behind the idea of a joint foundation? As far as we know, the German side was to pay compensation for the Czech victims of National Socialism into the foundation. Would it also mean that the Czech side would pay something as a gesture of goodwill toward the Sudeten Germans?

[Havel] The idea of a foundation is also an old one. It has developed over the course of time. So far, there have not been any concrete negotiations about how it should be financed. There are various possibilities, and President Herzog and I discussed them. I personally believe that if we were to receive compensation for the victims of National Socialism, one could, for example, pay some of the money to the victims and some could be paid into the foundation. The Czech side could also pay a certain amount. However, that would not be compensation for the Sudeten Germans, which is something that is not possible. It would be more of a contribution toward the construction of, for example, cultural centers, money for caring for graves (of the Sudeten Germans—editorial note), so that one could also show that the German community has a place in our history and the Sudeten Germans are confirmed in the feeling that they have their old, cultural home in our country. The foundation should also promote certain projects oriented toward the future—youth exchanges, research work carried out by joint commissions of historians, and so on. However, these are just various possibilities and there have to be concrete negotiations first. Only then can one select the most acceptable alternatives for both sides. I personally hope that the planned visit by German Foreign Minister Klaus Kinkel will result in greater clarification of such issues through talks with Foreign Minister Zieleniec.

[Glauber] Concerning the proposal that it should be made easier for Sudeten Germans to acquire Czech citizenship, would a condition for that be the renunciation of German citizenship?

[Havel] Dual citizenship is something that exists neither in the Czech Republic nor in Germany. Thus, the situation is perfectly clear.

[Glauber] In an address to the German Parliament last week, Polish Foreign Minister Wladyslaw Bartoszewski, a former Auschwitz inmate himself, spoke with a feeling of regret about the suffering experienced by the innocent German civilian population expelled from his country and also about his fellow countrymen's guilt for the wrongs linked to the expulsions. As we have learned from many reactions in the meantime, he enjoys the support of a majority of his fellow Polish citizens in this regard. Why does Czech society have such a great problem with this issue? When you apologized for the expulsion from your country five years ago, you encountered so much criticism and lack of understanding. Then, there was the misunderstanding on both sides over your 17 February speech on the German-Czech relationship at Prague's Charles University.

[Havel] My position has in no way changed over the past five years. It is idiosyncrasy on the part of the media that certain aspects of my statements are acknowledged one time, and others at other times. My condemnation of the expulsion, especially the so-called wildcat expulsion and the acts of revenge connected with it, is still valid today and must be generally known. However, it was clear from the outset that my critical stance was in no way to be understood as expressing a desire for revision of the current legal position. I said that five years ago. However, the focus at the time was my apology for the expulsion. I reiterated my stance in my recent speech at Charles University, where the second aspect of what I had to say was the focus this time. In Germany, this was interpreted as meaning that I had retracted my apology or that I had watered it down. I find it completely inexplicable that such passages should have been found in the text of 17 February speech. At the same time, I have to say that certain things have changed over the past five years, and within our society too. When I raised the issue in public five years ago, shortly after the great changeover, the apology came as something of a shock to society, actually it really was a shock for society. However, it is no longer shocking today. Various debates on this subject are currently in progress. It is, one might say, a major element in public debate. Opinions do, of course, differ, but it is no longer shocking. Concerning my speech at Charles University, it received extensive support in the Czech Republic even though it also contained my criticism of the expulsions. Our society has grown accustomed to that in the meantime, but the German side evidently views what has changed as being too little.

[Glauber] In your speech at Charles University, you said that the "time for apologies has come to an end." Was that perhaps also a reaction to the fact that the response to your previous initiatives—the initiatives of the Czech leadership in general—hardly drew a reaction from the German side, that Bonn was far too passive?

[Havel] There are two different issues involved here. On the one hand, it is true that following my first apology, there were increasingly vociferous and radical calls on the part of Sudeten German associations—claims were voiced that no one would have ventured to set forth under the communist system. That is why Czech public opinion to some extent accused me of having prompted such claims with my apology, of having conjured up evil spirits. That is why I had a need to clarify things vis-à-vis those who want to forget Munich (the Munich treaty on ceding the Sudeten territory to Hitler's Germany—editorial note) and continually speak of compensation. In short, the response to my apology was not what we expected. At this point, I would like to stress that very

conciliatory tones have also been heard from former Czechoslovak citizens of German nationality and we appreciate them. Christian and social democratic groups are particularly active in promoting reconciliation.

The second question is whether the time for apologies has come to an end. I am truly convinced that 50 years after all these events—most of us were not involved in them; the deeds were committed by the previous generation—it would be absurd for us to be constantly apologizing to each other.

[Glauber] However, March sees a joint initiative launched by renowned representatives of the Czechs and the Sudeten Germans, "Reconciliation 95," and the Czech Republic's reaction has been more than cool. Why is this so?

[Havel] The cool reaction can be attributed to two reasons. First, the manifesto—I have heard that this was the result of an inaccurate Czech translation of the German—contains an appeal to the Czech Government to hold direct talks with representatives of the Sudeten Germans. Our position is that such questions can only be the subject of negotiations between states and not between a government and an association.

The second reason is that there was an impression that there was too much of an attempt to place what National Socialism meant for us and the expulsions on an equal footing. That is a little too much for our public opinion, because it is aware of historical causality—what came first and what came later. That is why many people feel that placing an equal sign between the two events was inappropriate.

[Glauber] Irrespective of Czech objections that a government cannot hold negotiations with a nonstate association, is there not also a dearth of German partners at the government level, considering the fact that 50 years after the liberation of Czechoslovakia from National Socialist occupation, the German president pays only a private visit and just lays a wreath at Theresienstadt as a private individual? Is that the proper way for good neighbors to deal with each other?

[Havel] I do not see that as being the main problem. Former President Richard von Weizsäcker paid a state visit and he even paid a working visit on 15 March 1990—the anniversary of the German invasion of our country in 1939, and that was of great symbolic significance for us. I personally have visited Germany on several occasions. In terms of concrete politics, it is often the case that such working and private visits can produce more than official state visits. The current situation is such that talks of this kind are very important. They create an appropriate climate, one in

which bilateral relations can be advanced. Then, when everything reaches an appropriate stage, the results can receive a seal of approval in the form of a state visit. Currently, I see working talks as being very important because they lay the groundwork for results.

Incidentally, in contrast to other states, we have invited official representatives from Germany to attend the ceremonies in Prague on 8 May, to mark the 50th anniversary of liberation from occupation by Nazi Germany.

[Glauber] Originally, results in overcoming bilateral relations problems were to have been presented by the beginning of May. Following President Herzog's visit, you told the media this week that if everything works out well, there will be results this year.

[Havel] I cannot predict exactly what will happen, because that does not depend on me only. However, we are concerned to see marked progress being made this year. There are several reasons why we would welcome that, not the least of which is that we will have parliamentary elections in 1996.

Interior Ministry Discusses Organized Crime

AU0805175295 Prague DENNI TELEGRAF in Czech
3 May 95 pp 1-2

[Article by Martina Sramkova: "Russian Mafia 'Bosses' Penetrate Legal Economic Structures"]

[FBIS Translated Text] Although the "pawns" of Russian and Ukrainian organized crime groups have often committed crimes marked by astonishing brutality in our land, the bosses, sometimes called "venerable fathers," attempt to operate in legal firms as respectable businessmen covering up their activity with charity functions, for instance.

According to Interior Ministry press spokesman Jan Subrt, foreign Mafia chiefs' attempts to infiltrate government institutions, "including the highest ones," have been observed. The dominant position on our territory belongs to the Russian and Ukrainian Mafias and now operate throughout Europe and the United States, and have divided their operating spheres with the Italian Mafia.

The bosses of organized crime groups from the former republics of the Soviet Union are recruited mostly from the former USSR nomenklatura, the highest Army ranks, and former leading economic officials.

Since they do not perform any visible criminal activity, it is almost impossible to prove any wrongdoing on their part. They are surrounded by groups of so-

called professionals with experience from the KGB, intelligence, counterintelligence, or the former Red Army, who perform activities for them such as shadowing, etc. "Pawns," often Afghanistan veterans, former top-level athletes, etc., are hired for specific crimes like blackmail, forced "protection," debt collection, contracted murders, etc. because of their "brutality and discipline." When arrested, they never testify, Subrt observed. Czech citizens provide so-called services for these Mafias—they arrange for their long-term residence status, help them with official formalities, arrange for contacts in the finance sphere, and possibly provide their names for registering money-laundering firms. These people often also come from the pre-November nomenklatura, State Security agents or collaborators, etc. The sphere of operation of these Mafias is very broad—from the aforementioned blackmail and forced protection, through organized prostitution, to dealing in drugs, arms, and nuclear materials.

Teachers Protest Low Wages, Government 'Neglect'

95CH0233D Prague PRAGUE POST in English
25 Apr 95 p 3

[Article by Timea Spitkova: "Teachers To Strike if Government Doesn't Pay Up"]

[FBIS Transcribed Text] An open letter to the Ministry of Education from teachers at a school in the south Moravian town of Zlin has led to a spontaneous protest by teachers nationwide. The next step could be the nation's first-ever teachers' strike.

Citing lack of government support and low wages, the teachers have said that unless concrete action is taken by mid-June, they will be forced to strike. To date, educators from more than 150 other schools, mostly in Moravia, have joined in the protest.

Teachers claim that government neglect of schools has had a detrimental effect on the country's children.

"The situation is catastrophic," said Eva Sametnikova, a teacher of physical education at a public school in Zlin. "There are many pensioners and unqualified people working in schools, which certainly has an effect on the children, especially on the younger ones."

The teachers are also demanding higher wages, which they claim have fallen to substandard levels. Poor pay means that many qualified teachers are leaving for better opportunities, and bright young people have little incentive to enter the profession, she said.

Although the Czech and Moravian Trade Union of Workers in Education empathizes with the Zlin teachers' concerns, the organization does not agree with their approach.

"A strike at this time will not solve the problem," said Jaroslav Mullner, vice chairman of the union.

The union is negotiating with the Ministry of Education, which has promised an across-the-board, 20-percent raise for teachers by July.

Many teachers remain wary of promises from the ministry. Last year's pledge to raise wages by 11 percent was never implemented.

The average take-home pay of a teacher in the Czech Republic is 6,477 Czech korunas (Kc) (\$250) per month, just slightly above the national average. With the sharp rise in the price of food and living expenses, many teachers claim that they can't make ends meet, and

some teachers have begun supplementing their incomes through part-time evening jobs.

Jana Nozova, a 51-year-old teacher of Czech at a public school in Prague 1, said that there is not enough respect for the teaching profession in this country. This is evident in the low pay, she said, as well as the lack of support teachers get from parents and the government.

Despite the fact that Nozova has a postgraduate university education and has been a teacher for nearly 30 years, she brings home less than Kc6,000 per month.

"We are molding children's personalities. That holds enormous responsibility," she said. "Salaries should be based on responsibility."

Meciar Meets Croatia's Granic; Accords Signed

LD0505155995 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1500 GMT 5 May 95

[FBIS Translated Text] Slovak Prime Minister Vladimir Meciar met with Mate Granic, Croatian deputy prime minister and foreign minister, in Bratislava today. Granic briefed him on current developments in his country and assured him that the area from the northern border of Croatia to the port of Rieka continues to be safe for tourists.

Mate Granic and Slovak Foreign Minister Juraj Schenk signed an agreement on international road passenger and cargo transport, an agreement on cooperation in education, science, and culture, and a protocol on cooperation between the Foreign Ministries of Slovakia and Croatia.

Granic on Meeting FRY's Jovanovic

AU0905151095 Bratislava PRAVDA in Slovak
6 May 95 pp 1, 3

[Article by "jl": "Mate Granic Guarantees a Safe Holiday"]

[FBIS Translated Excerpt] Bratislava—[Passage omitted] We asked the Croatian foreign minister whether the Z-4 Group (United States, Russia, EU, and United Nations) proposal for a peaceful settlement of relations between Croatia and Serbs in Croatia was still acceptable to Croatia at this moment. Mate Granic replied: "Our state agrees to hold talks with Serbs on occupied territories on the basis of the Z-4 plan but the contents of the plan, in terms of the degree of local autonomy and the mechanisms of international control, are not acceptable to Croatia because a state within a state would emerge, in fact."

Just as interesting was Granic's reply to a question regarding his possible interest in meeting Vladislav Jovanovic, about which there was talk in the early spring: "I do not have an invitation from Belgrade. Croatia is ready to negotiate with Belgrade. We propose that we mutually recognize one another as independent states within their internationally recognized borders, which would also speed up the process of reintegration of our occupied territories. At the same time, it would help normalize relations between Croatia and Serbia—we want a normalization of relations among all states in the region." [passage omitted]

We have learned from unofficial sources that the Slovak side was sounding out the possibility of organizing a meeting in our country between Granic and Jovanovic, but neither side expressed interest in such a meeting for the time being. [passage omitted]

Kovac Receives Acting Ukrainian Prime Minister

AU1005111295 Bratislava HOSPODARSKE NOVINY
in Slovak 8 May 95 p 2

[TASR report]

[FBIS Translated Text] Bratislava—President Michal Kovac received acting Ukrainian Prime Minister Yevheniy K. Marchuk on 6 May. Marchuk was in Bratislava to attend the celebrations held to mark Slovakia's liberation and the end of World War II. Deputy Prime Minister Sergej Kozlik was also present.

The possibilities for economic cooperation between the two countries were the subject of a conversation during the meeting. Seven treaties have been prepared, which could be signed shortly, and work is under way on 12 more.

It is anticipated that Prime Minister Vladimir Meciar's visit to Ukraine could take place at the end of May or the beginning of June. Y. Marchuk confirmed that a visit by the Ukrainian president to the Slovak Republic is planned for the second half of 1995.

Kovac on HZDS Efforts, Relations With Meciar

LD1005092695 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 0500 GMT 10 May 95

[FBIS Translated Excerpt] A special aircraft carrying President of the Republic Michal Kovac and Prime Minister Vladimir Meciar landed at the Milan Rastislav Stefanik Airport in Bratislava at 2200 last night. The two officials were returning from Moscow, where they attended the celebrations marking the end of World War II and the defeat of fascism. The president was met by the representative of the Presidential Office, Jan Klepac, and the ambassador of the Russian Federation to Slovakia, Sergey Yastrzembkiy. My colleague Jan Baranek was also at the airport.

[Baranek] President Michal Kovac attended a short news briefing with journalists at the airport. To start with, he assessed the celebrations of the 50th anniversary of the end of World War II. [passage omitted] Regarding the developments in Slovakia's political scene during the president's absence, Slovak radio put the following question to Michal Kovac:

[Begin recording] [Baranek] The Movement for a Democratic Slovakia (HZDS) called on you to give up your post, because you have allegedly been preventing the plurality of democracy in Slovakia. Can you comment on this? [words indistinct]

[Kovac] It upsets me to hear that the political executive is calling on the president to resign even though it

knows that if the president did so it would mean the destabilization of the domestic political situation. It would not further Slovakia's reputation, although it might quell some passions, hatreds, and thoughts of revenge. I think, however, that precisely what we recollect now as we celebrate the 50th anniversary of the end of the war shows the pettiness of all this; it shows that we should stop focusing on this and that we should, indeed, focus on ways of promoting stability in our country and on ways of keeping people's minds focused on key problems, the problems whose tackling requires cooperation, collaboration, and trust over all. [end recording]

The next question concerned the issue mentioned by the president of the Republic before he left for the celebrations. It was his planned confidential discussion with the prime minister since the present domestic political situation in Slovakia does not exactly further the country's interests. Michal Kovac outlined his response to this situation.

[Begin Kovac recording] I am going to patiently strive for this. Indeed, I was under the impression that the prime minister would be ready to speak to me, but he was not. It was not a case of our not talking to each other, though. We did speak, of course. We exchanged greetings. But what I had in mind was a different type of conversation which regretfully did not take place. [end recording]

Senior Clergy Voice Full Support for President
LD1005122295 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1000 GMT 10 May 95

[FBIS Translated Text] Slovak Catholic bishops and superiors of holy orders have voiced their full confidence in and support for President Michal Kovac.

The statement signed by Jan Sokol, archbishop and metropolitan of the Bratislava-Trnava Archdiocese, Alojz Tkac, archbishop of the Kosice Archdiocese, and Bishop Rudolf Balaz, chairman of the Conference of Bishops of Slovakia, says that the president of the Republic has been fulfilling the oath he gave to the National Council in its entirety and that by doing so he has been promoting the good name of our Republic.

The statement goes on to say that the presidential post is one of the basic pillars of the state. Questioning this post is tantamount to jeopardizing the foundations of the state and to creating an atmosphere of uncertainty and tension.

Slovakia, as a young country, cannot afford this political development, the statement by Catholic bishops and holy orders superiors emphasizes. The statement was

sent to National Council Speaker Ivan Gasparovic, President Michal Kovac, and Luigi Dossena, apostolic nuncio of the Holy See.

Finance Ministry Bill To Limit Cash Payments
95CH0240E Bratislava TREND in English 8 Mar 95
p 27A

[FBIS Transcribed Text] Finance Ministry Drafts Law To Impose Limits on Cash Payments.

Disregarding that businesses prefer the security of cash settlements at the time that service is provided, the Finance Ministry plans to limit cash payments by installing an upper limit of Sk10,000 (\$312). The Ministry believes that the remainder could be settled through an invoicing system.

Michal Borodovcak, director of the tax and custom division, said that the ministry will try to push through the legislation because cash settlements among businesses are not in the ministry's best interest. "I see no reason why wholesale warehouses should sell for cash," he said.

Borodovcak expects the law to take effect in July at the latest if it gets government and parliament approval.

If the ministry manages to establish such legislation, entrepreneurs fear it will considerably complicate their lives.

"Such a limitation would have a very negative impact on our business," said Sona Jariabkova of Zdroj in Senica.

She explained that businessmen who sell through an invoice to someone without a credit history might receive the payment very late or never.

She said that in the latter case, the businesses are likely never to see their money despite a court decision ordering the debtor to pay. There are no legal tools to actually make the debtor pay.

"The court decision is no good at all. You can only hang it on the notice board," Jariabkova said, referring to her own experience.

According to a businessman who did not want to have his name published, the ability to trade in Slovakia currently requires having 90 percent of the finances in cash.

He believes that businessmen will find a way around the legislation if it takes effect. For example, they will pay three times Sk10,000 instead of Sk30,000 at once.

Other entrepreneurs point out that the banks take from two to more than seven days to transfer the money from the payer's to the seller's account. While having their

finances blocked by the banks, businesses suffer short-term or long-term insolvency.

Entrepreneurs point out that insolvency will also occur due to bad debts as a result of the banned cash settlement.

If the ministry's legislation is approved, businessmen will still be required to pay their custom fees in cash, though they will be unable to receive cash immediately for their merchandise or services.

Slovak custom offices currently require importers to pay their custom duties in cash; wire transfers are seldom allowed. Michal Borodovcak from the finance ministry stressed that the law he envisions will keep this unchanged.

"There are certain reasons why custom fees have to be paid when merchandise crosses the border," Borodovcak explained. "Postponement of payments would only increase customs debts."

Economy Minister Discusses Arms Industry
AU0905182095 Prague HOSPODARSKE NOVINY
in Czech 2 May 95 p 4

[Unattributed report on interview with Economy Minister Jan Ducky "for CTK"; place and date of interview not given: "Minister Jan Ducky Claims That Only Some Arms Factories Will Be Privatized"]

[FBIS Translated Text] Zvolen—Last week the Slovak Government created a post of commissioner for restructuring engineering production and appointed Julius Toth, former deputy prime minister and finance minister, to the post. "The task of the commissioner will be to coordinate the work of engineering enterprises from research and development to actual production. It is probable that one part of the production will be controlled by the holding method precisely to prevent everyone doing everything and liquidating each other," Slovak Economy Minister Jan Ducky said in an interview for CTK.

At the same time, he confirmed that the government and the Economy Ministry will assume some of the responsibility, but only within their powers. To the question of whether the government can help the enterprises in conversion, which reported great losses last year, Ducky replied: "Of course, it can help by opening the commercial space, specifying certain development strategies, and approaching privatization in such a way that a certain synergy effect forms and the enterprises are not destroyed."

According to Ducky, engineering enterprises with minor shares of arms production will probably be privatized, but "there will still be a discussion as to how."

Privatization should not, however, apply to large arms manufacturers like ZTS Dubnica or ZTS Martin. "If we are going to need this part of production, we will keep it under the auspices of the state. For the time being, even the holding will have a character of a state holding," Ducky said.

To the question of whether these enterprises will also be freed from their obligations consisting of the interest on credit for the special production (they were freed of the actual credit debts at the end of 1993), Ducky replied that this problem is currently being discussed with the banks. "Nevertheless, we cannot comment on the extent today because we consider this year to be the pivotal one for the change in the economic situation of Slovakia, and we are still rather strict regarding expenditures for the entire process," he added.

Ducky sees the solution to the complex economic situation of the Slovak arms manufacturers in the recovery of arms production "wherever it is possible" and in substitute production programs and in gaining new markets.

Reaction to Cancellation of Payments Agreement
AU0805181595

[FBIS Editorial Report] Slovak newspapers on 5 May report on reactions by Finance Minister Sergej Kozlik and Economy Minister Jan Ducky to the Czech Government's 3 May decision to charge Czech Finance Minister Ivan Kocarnik with drafting documents for the cancellation of the Czech-Slovak payments agreement.

Bratislava SLOVENSKA REPUBLIKA in Slovak on page 1, under the headline "Sergej Kozlik: No Reason for Hysteria and Panic," carries the following TASR report: "The Slovak Ministry of Finance, together with the Czech Ministry of Finance, is preparing a whole number of measures to amend the payments agreement, the clearing system, and trade relations between the two countries," Sergej Kozlik, deputy prime minister and minister of finance, said yesterday. Kozlik added "I do not think there is any reason for hysteria and panic. We are ready for any solution, including cancellation of the agreement, its improvement, but also payments in freely convertible currencies."

Bratislava SME in Slovak on 5 May on page 1 carries a 300-word report by "cs, al" entitled "According to Tomas Jezek, Czech Parliament Will Approve the Cancellation of the Clearing System in June." The report quotes Tomas Jezek, chairman of Czech Parliament's Budget Committee, as having told SME's Prague correspondent that "the Czech parliament will probably approve the cancellation of the payments agreement

in June." Reporting on Slovak Economy Minister Jan Ducky's reaction to the Czech initiative, the SME report says: "According to Ducky, the cancellation of the agreement will not have serious consequences for the Slovak Republic because mutual trade has declined to such a degree that only mutually advantageous deals are realized. He would regret a further drop in trade, how-

ever. The foreign currency situation of the two countries is stable so that the cancellation of the agreement is not likely to have serious consequences. Ducky admitted, however, the possibility of entrepreneurs' higher costs because payments will be made through banks."

**Foreign Ministry News Conference on Sinai,
Croatia**

*LD0905163295 Budapest Kossuth Radio Network
in Hungarian 1000 GMT 9 May 95*

[FBIS Translated Excerpt] The Hungarian Government is currently examining the possibility of sending observers to the Sinai Peninsula to monitor the observance of the cease-fire. The action would be launched at the request of the sides concerned. Istvan Kulcsar reports from the Foreign Ministry's regular weekly press briefing:

[Kulcsar] [Passage omitted] The foreign affairs spokesman [Gabor Szentivanyi] said that the Hungarian foreign minister [Laszlo Kovacs], in his capacity as the current chairman of the Organization for Security and Cooperation in Europe [OSCE], will also make efforts to reduce hostilities in Croatia and will hold coordination talks with other relevant international organizations. He may even send a personal envoy to the region.

Szentivanyi denied Belgian press reports on alleged talks between Brussels and Budapest on the withdrawal of Belgian UN troops from the Baranja triangle [in eastern Croatia] through Hungarian territory, if it becomes necessary.

Greece's Papoulias on 2-Day Visit to Budapest

*NC0905182295 Athens ATHENS NEWS in English
9 May 95 p 4*

[FBIS Transcribed Text] Budapest (Combined reports)—The Organisation of Security and Cooperation in Europe (OSCE) plans to mediate between Greece and the Former Yugoslav Republic of Macedonia [FYROM] in their long-standing dispute, its Hungarian chairman said yesterday after welcoming the Greek foreign minister on a two-day official visit to Budapest.

The 52-country European body has already been given the go-ahead by the two Balkan neighbours, but the details will still have to be worked out, said Laszlo Kovacs, who is also the foreign minister of Hungary.

"During his recent visit, the foreign minister of FYROM raised the issue and today Greece has also indicated it would welcome OSCE playing a role in solving the problems," Kovacs said at a news conference held jointly with his Greek counterpart, Karolos Papoulias.

Kovacs said that since FYROM applied for OSCE membership and he had had a chance to become acquainted with the Greek standpoint, "it is likely that I will send my personal representative to the two capitals in the near future." He stressed that "for the security of

the region, it would be important that FYROM could become a member, but admittance is only possible with Greece's consent."

Papoulias said his country would accept OSCE mediation. Greece has blocked its northern neighbour's entry into the OSCE, because it objects to the Balkan country's use of the name "Macedonia", which is also the historical name of its adjacent province in northern Greece.

"We want to overcome this crisis," Papoulias said referring to the controversy with FYROM. He also said that Greece backs the idea of lifting the embargo against the rump Yugoslavia, asserting that Greece had suffered a loss of over \$3bn as a result of the sanctions.

Athens accuses Skopje of having designs on its northern territory, usurping an ancient Greek symbol on its flag and having irredentist clauses in its constitution. Greece has blocked FYROM traffic through its Thessaloniki port since February last year.

On his way to Budapest, Papoulias yesterday accused FYROM President Kiro Gligorov of wavering over the resumption of talks with Greece, "because this depends on the domestic problems he faces in FYROM."

Kovacs said he would prefer if Greece dropped its objection and allowed FYROM into the OSCE before the Hungarian mediation started, but added the talks could go ahead even without it.

OSCE, which groups nearly all European states, is without executive powers and operates through consensus.

The European Union and Matthew Nimetz, a special envoy of US President Bill Clinton, are already mediating between Greece and FYROM in an effort to bring the two countries back to UN-sponsored talks under the auspices of UN mediator Cyrus Vance.

Discusses Cooperation With Kovacs

*NC0905125495 Athens Elliniki Radhiofonia Radio
Network in Greek 1130 GMT 9 May 95*

[FBIS Translated Text] Foreign Minister Karolos Papoulias, who is on a two-day official visit to Hungary, yesterday met with his Hungarian counterpart, Laszlo Kovacs. During the meeting they discussed matters of commercial and financial cooperation between the two countries. They also discussed the Skopje [The Former Yugoslav Republic of Macedonia—FYROM] matter.

Papoulias today will hold a series of contacts with other officials of the Hungarian Government.

Horn on Reform, Coalition, Relations With Romania

AU0905162995 Bucharest AZI in Romanian
5 May 95 p 5

["Exclusive interview" with Hungarian Prime Minister Gyula Horn by Lianna Segal on 26 April; place not given: "Continuation of Reform Is Our Great Provocation"]

[FBIS Translated Text] [Segal] Mr. Prime Minister, what do you think now, immediately after the adoption of Recommendation 1201 by the Parliamentary Assembly of the Council of Europe [COE]?

[Horn] I believe our expectations have been confirmed and sanctioned by the COE. All the provisions included in Recommendation 1201, which I consider valid, have been confirmed through the decision taken today.

[Segal] As far as we know, the Hungarian Socialist Party [MSZP] paid an electoral price for the government coalition that has been set up with the Alliance of Free Democrats [SZDSZ]. Likewise, the SZDSZ lost sympathizers for the same reason. In turn, Hungary has won something. How much and what has Hungary won after the establishment of the coalition government that is currently governing your country?

[Horn] I am not aware of any such sacrifice, and I can firmly deny it—because, in fact, we are talking here about a coalition government in which both parties, certainly with real compromise, fully succeeded in consolidating their positions. One can state that in this situation, no party has made a sacrifice in achieving this coalition. The only thing that might seem to be a problem or tension between the government and electorate is connected with the fact that it seems necessary to realize even more reforms in our country and reforms create tension everywhere, even in the West. This happens because, through economic reforms, the system of social protection is inevitably affected by limiting and reducing financial means, and this is difficult for the population. Thus, much caution is required and the government assumes the responsibility of continuing the implementation of reforms and putting things and the country's problems in order. Certainly, it is much easier to talk about it than to actually carry it out. This is our great provocation.

[Segal] The economic program that the Socialists and Free Democrats in Hungary worked out together certainly required a certain compromise from each of the sides involved. Which are the points in this program that resulted from this compromise, and what did each party have to give up?

[Horn] The government is working as a team. The Socialists, just like the Free Democrats, work out the

programs by joint agreement. Thus, there is no separate Socialist and SZDSZ programs because there is a single government program. Certainly, there is some compromise—for example, regarding the privatization process: that is, finding the right mechanisms and way of implementing privatization; distributing the budgetary funds; or finding the most advantageous solution to one issue or another. Even in our own party, there are discussions on these issues. This is natural when one is talking about solving such difficult and complicated problems. However, it is essential that we have decided to solve these issues together and to succeed together.

[Segal] Upon the invitation of the Democratic Party, an MSZP delegation recently visited Romania. On that occasion, Vilmos Szabo also visited the editorial office of our newspaper, the daily paper AZI, where he made the following remark: "We (Romania and Hungary—editor's note) must leave history to historians." How do you interpret this remark?

[Horn] I agree completely with this statement. I personally believe that historical issues should be left to historians, and we do not have to turn them into current political issues. All the exaggerations, all those that emerged in the past, have generated erroneous interpretations and tension that we can avoid. We do not need them. From the very beginning, our government believed that historical problems should be left to historians. There are blank areas that we have to clarify, but those are not topical issues. They are not political issues. In connection with Romania, we would like to achieve with that country what we have achieved with other countries.

Romanian Daily Says President Offended Romania

LD1005124595 Budapest Kossuth Radio Network
in Hungarian 1000 GMT 10 May 95

[FBIS Translated Text] The Hungarian president has repeatedly offended Romania. He deliberately ignores the importance of a favorable political climate, which is necessary for the finalization of the Romanian-Hungarian basic treaty. Budapest systematically obstructs the process of settling problems in bilateral links.

This can be read in a front-page article in today's VOCEA ROMANIEI, the Romanian Government's official daily. The article recalls the fact that Arpad Goencz did not invite Romania to the presidential meeting to be held in Keszthely at the end of May. The heads of state of Germany, Austria, Poland, Italy, Slovenia, the Czech Republic, and the Slovak republic were invited to the meeting. By this step Arpad Goencz has simply excluded Romania from the ranks of Hungary's neighbors.

The paper also takes objection to the fact that since 1989, the Hungarian president and Hungarian governments have repeatedly failed to send messages—customary in international diplomacy—on the occasion of Romania's national day.

The Romanian side has been open, modest, and honest in its relations with Budapest. However, Arpad Goencz's undisguised gesture has again disappointed Romania—reads the final conclusion of the article entitled "Unfriendly Behavior" published in the government's official mouthpiece.

Foreign Ministry Official on NATO Membership

AU0905182295 Budapest MAGYAR NEMZET
in Hungarian 5 May 95 p 13

[Article by Ambassador Istvan Gyarmati, head of the Foreign Ministry's Security Policy and European Cooperation Main Department: "NATO Membership Is the Cheaper Security"]

[FBIS Translated Text] With the increasingly realistic "threat" of NATO membership, experts and political forces who oppose an early—and full—NATO membership have become more outspoken, fearing for the country's sovereignty, financial situation, and security.

Those against Atlantic membership voice the following arguments:

1. We should be happy that we have at last freed ourselves from the custody of the Warsaw Pact; why should we again subordinate ourselves to others?
2. We cannot bear the financial burdens of NATO membership.
3. NATO membership can mean the stationing of alien troops and even nuclear weapons in Hungary (see also point 1).

These are real issues, but the way they are raised distorts the essence. When a state joins an integration organization (the EU is one of these; in fact, even more of such an organization), it gives up part of its sovereignty. In the case of NATO, as opposed to the Warsaw Pact, this is voluntary. Our sovereignty in general will receive an incomparably bigger defense with membership. In addition to us, the Alliance's other members also give up some of their sovereignty—among others, for our benefit. Therefore, countries that trust each other mutually give up some of their sovereignty for the benefit of the others. It is even more important that they place their sovereignty under each other's protection and oblige themselves to defend it jointly.

Financial Burdens

NATO is a democratic alliance of democratic countries: No decision can be made without the agreement of all member states. In NATO, no one will force a decision on us that we do not accept. If this makes someone fear for our sovereignty, then he does not understand the difference between the Warsaw Pact and NATO, and he is unable to understand the essence of democracy.

The financial burdens of NATO membership and the issue of stationing nuclear weapons and foreign troops are real problems. However, rather than whether we can finance our NATO membership, the question is whether we can allow ourselves—including the financial implications—not to become NATO members. The country's security has to be guaranteed. To do this, we need a military force that is able to fulfill its task credibly. Establishing such a military force exclusively from our own resources, remaining outside NATO, is incomparably more expensive (and, considering Hungary's geostrategic situation, in my view, impossible) than within NATO. We would have to provide for our defense even in areas where NATO countries share the tasks.

Placing nuclear weapons in Hungary is a serious political and psychological question. Nuclear weapons were not stationed on the territory of all NATO member states even at the height of the Cold War. Today, this would not even make much sense because strategic equipment does not need to be stationed at forward bases, and the role of tactical nuclear weapons in NATO's strategy has changed radically. The end of the danger of a Soviet surprise attack made it unreasonable to station these weapons according to the previous principles. Therefore, they will not station nuclear weapons on the territory of new member states because, as long as the current situation remains, this is completely unnecessary both politically and strategically, rather than because of the Russian resistance. For this reason, it is unreasonable for Russian military circles to threaten "countersteps" if NATO is extended—for example, with holding out the prospect of terminating the agreement on the limitation of traditional military forces. Through this, they are provoking exactly what they supposedly wish to avoid: namely, a strategic reply by NATO, including the reassessment of the role of nuclear weapons. Unless their goal is precisely to justify their position with the situation created by their own overreaction and to strengthen their position in Russia, which wishes to progress toward democracy.

By excluding—either in its Constitution or in another way—the possibility of stationing nuclear weapons on its territory, a country also excludes itself from NATO.

NATO's strategy cannot tolerate limitations applied by countries in key positions—in which the new members will be—that might jeopardize the flexibility of a possibly necessary NATO reaction.

The same applies to the stationing of foreign (let us not call them alien) troops in Hungary. The Hungarian military force can fit into NATO in two ways. These are: stationing foreign troops in Hungary, or organizing several large-scale military exercises on our territory. In theory, both are possible. Is there a real difference between them? Which one presents a smaller burden for the population and the environment? Which version is supported by realistic political, security, and military arguments, rather than emotions?

Security Guarantees

In my view, permanent stationing has more advantages. It would save the country from the constant movement of foreign troops that is concomitant with many military exercises. It is cheaper, and the troops stationed here could take over certain tasks from the Hungarian military force that otherwise we would have to perform ourselves. The latter would mean a huge effort and require a bigger army. For example, it would be possible to save large amounts if we managed to achieve an agreement with NATO that the foreign troops stationed here would largely perform the country's aerial defense. This way, NATO membership could be cheaper than establishing a national military force.

According to certain calculations, a NATO-member Hungary would be able to guarantee its security even with a 30,000-man army. Outside NATO, we would need many times this number. It is impossible to end conscription if we want to solve our security problems on our own: Due to Hungary's geographical situation, the country can only be defended by a massive army or a professional army of a size and with equipment that we have never been able to afford. It is unrealistic to reduce the period of conscription until we have security guarantees and until the reform of military forces: a military force with a completely different structure, makes this possible.

We must take serious steps to achieve NATO membership now, not only after accession. We would have to take these steps to defend the country anyway. Defense policy and the complete reform of the military force is such a step. We have talked about this much; so far, however, every "reform" only provided the necessary ideology for the various reorganizations. If they do not fit in with the reform concept, further reductions performed solely on the basis of budget considerations can even jeopardize the success of the reform and make the unfavorable processes of the past few years irreversible

(well-trained officers leaving the Army; the using up of reserves; the drop in morale and in the Army's respectability; and so on).

Public Interest

The defense policy and the reform of military forces require a separate analysis. We must avoid measures that weaken the country's defense capabilities and that also make our intention to militarily contribute to NATO's expectations questionable. This is none other than meeting the requirements defined by our own defense. We must do this even if these are unpopular measures. We must not take steps that endanger the military force's abilities, potential, inner cohesion, and "soldierliness" under the otherwise correct slogan of democratization. The Army has to remain a military organization that has essential characteristics of substance and form, which are difficult to understand for civilian society. However, canceling these would undermine the Army's capabilities. Everything has to be done to improve discipline, physical stamina and fitness, morale, and the understanding of the goals by making use of the Army's special means and satisfying the Army's special needs. Naturally, this cannot replace the measures that have to be taken within the reform of the military force, including the establishment of financial means that are essential for the existence and careful development of the military force.

The public has to be informed about the political goal and the rationale of maintaining the Army. The Army has a task, even now, when we do not have an enemy or an enemy image. The tasks need not be assigned by "defining" an enemy. It is certain that, until the public accepts that the Army still has tasks today and performing these tasks is in the public's interest, the public cannot be made to accept, either, that many billions of forints need to be spent on these goals and the military force that is to implement them. For this reason, the formulation of the defense policy and the military reform has to be transparent, and the whole professional and lay public—lieutenants, generals, civilians, and soldiers—all have to be included in it. Drawing this up cannot be a monopoly of the military organizations: It is wrong for civilian organizations to want to decide military issues; however, it is even worse for military organizations to make political decisions. The organization that is to be reformed cannot make a decision on fundamentally changing itself.

Everyone can have worthwhile ideas, and it is a basic right of all Hungarian citizens and soldiers to express their views. It is an obligation of the decisionmaker to formulate his stance and make decisions by taking these views into consideration. We are obliged to

provide the public with the necessary information. At the referendum, this public will make the ultimate decision on NATO membership, as well as on the future of Hungary's European integration and security.

[footnote] The author's thoughts expounded in this article cannot necessarily be seen as the Foreign Ministry's official stance.

Benefits of EU Expansion Eastward Assessed
MS0905124595 London *FINANCIAL TIMES*
in English 9 May 95 p 18

[Article by Laszlo Csaba, senior economist at Kopint-Datorg economic research institute in Budapest: "Time For a Wider Union"]

[FBIS Transcribed Text] Three years ago, with the signing of the Maastricht Treaty on European Union, the continent's destiny seemed to have been sealed, at least for the next decade. In the best technocratic tradition, Maastricht established the deadlines, the criteria and the tasks for each player in the European concert. But real-life events proved too complex, spontaneous and diverse to follow the designs of diplomats and the parameters of politicians.

The order of priorities under-pinning Maastricht was that the so-called "deepening" of European integration—the strengthening of ties between existing members—should come first, and "widening" the accession of new members—only later. Such expansion, furthermore, would be first northwards, then eastwards, in an orderly and predictable fashion.

Now this concept has run aground. A new *raison d'être* and a new order of priorities are required. The time has come for widening to take precedence over deepening. The sooner this is realised by European governments, the better.

The accession to the EU of a number of central and eastern European countries is now on the agenda in a way largely unforeseen at the time of Maastricht. There are several reasons why this is so.

For one thing, the extent of opposition to the "deepening" of EU integration has been demonstrated by the Danish, French, German and UK electorates.

In addition, EU economies and societies are showing markedly different priorities, resulting in growing economic divergence between central and peripheral EU members.

These developments make European monetary union by the end of the century highly improbable, certainly for the majority of EU states, and perhaps even for "core" members such as Germany and France. Mr Jacques

Chirac, the French president-elect, may have a crucial role in determining how quickly Emu comes to pass. He may, prefer, for the moment, to regenerate his country's economic and social fabric rather than pursue slavishly the Maastricht fiscal targets.

Disarray has been noticeable, too, on other fronts. The EU's problems in handling the Bosnian conflict have exposed how difficult it is likely to be to construct a common EU foreign and security policy. This throws doubt on the assumption implicit in Maastricht that Europe is heading for a form of political union.

For Hungary—which now shares a common border with the EU—these developments offer significant opportunities. It should now join with other countries in the so-called Visegrad group—the Czech Republic, Hungary, Poland and Slovakia—to exploit mounting resistance to the "deepening" of ties between the EU's existing members by promoting the case for enlargement.

The nature of the message that should be broadcast by these countries is clear. They should concentrate on persuading the EU's existing member states that granting them membership would not be exorbitantly expensive and would be in the EU's interest, since it would represent a powerful contribution to the continent's stability.

It is wrong to imagine, as many do, that granting accession to the countries of central and eastern Europe would saddle the EU with costs similar to those confronting Germany after unification. On the basis of the EU's present budgetary spending, only about 0.25 per cent of EU gross domestic product is likely to be channelled in annual transfers to new members from the Visegrad group. In Germany, by contrast, 5 per cent of annual GDP is being transferred to the eastern Lander.

By 2000 moreover, some trimming of the EU's Common Agricultural Policy and of its structural funds for less well-off members will have become inevitable because of pressure from taxpayers in the wealthier countries. This will reduce further the amounts which are likely to accrue to any new member states in eastern Europe.

Another argument widely used by those advising against granting accession to formerly communist countries in central and eastern Europe is that these states will need huge amounts of private capital to fund economic regeneration. German economic research institutes have estimated total financing needs for the region until 2000 at between \$800bn and \$1,400bn.

But the experience of newly industrialised countries in Asia suggests that, provided liberal, outward-looking economic and investment policies are in place, between 80 and 85 per cent of such sums can be raised from

domestic savings rather than outside finance. And this outside finance, of course, does not and should not need to come through aid. The stock of foreign direct investment in Hungary has reached \$8.5bn, showing how attractive the region can become for western capital.

Those who are sceptical about the benefits of enlargement also point to the supposed backwardness of likely east European applicants. Fortunately, however the chaos in the former Yugoslavia has not been repeated in other parts of formerly communist Europe. The region's undoubted economic problems should not be confused with those facing Albania or Kyrgyzstan.

In the Visegrad countries there is neither ethnic cleansing nor hyperinflation, and economic growth is at levels which are the envy of EU members. In addition, central and eastern Europe have adopted the sort of structural reforms in areas such as steel and agriculture that are being resisted by some EU members.

The Visegrad countries are all further west than Finland or Greece. Europe needs these countries as much as they need Europe. The foundering of the Maastricht process has been caused not by central and eastern Europe, but by the weaknesses of the EU's present structures which were largely put in place during the cold war.

The way to strengthen these structures is to accept that the EU should no longer end at the Oder or the Danube. Unless enlargement to the east becomes the priority for the next five years, Maastricht will be neither the sole setback faced by the EU, nor the most serious.

MP Notes Minority Discrimination in Slovakia

LD1005101795 Budapest Kossuth Radio Network
in Hungarian 0800 GMT 10 May 95

[FBIS Translated Excerpt] The parliamentary session started with preagenda contributions today. Andras Domany reports.

[Domany] In his preagenda contribution, Jozsef Torgyan, chairman of the Independent Smallholders' Party's parliamentary floor group, called on the government to act, because there have been attempts in Slovakia and elsewhere to restrict the rights of Hungarians with regard to using their language, and to withdraw correct laws, approved earlier, on bilingual placename signs and on the use of surnames.

In his reply, Foreign Affairs State Secretary Istvan Szent-Ivanyi said that the basic treaty is not a reason for these anti-Hungarian moves, as indicated by Jozsef Torgyan. On the contrary, the basic treaty lays down and protects the minorities' rights to use their own language. This is why the ratification of these documents is in

our interests. Following the basic treaty's ratification, we could raise these problems at international forums. [passage omitted]

SISMI Assets in Arrest of Uranium Smugglers

LD0905194395 Rome RAI Uno Television Network
in Italian 1800 GMT 9 May 95

[FBIS Translated Text] There has been an important operation against nuclear material traffickers. According to the ADN-Kronos news agency, the Italian Military Secret Service, SISMI, has helped the Hungarian secret service arrest nine people in Slovakia and seize 18 kg of uranium that could have been used for making nuclear weapons. The radiation-proof container where the uranium had been hidden had radioactive leaks that caused serious danger for one of the traffickers and for the place where it had been hidden.

Trade With Former States, Embargo Effects Viewed

AU0905183495 Budapest MAGYAR HIRLAP
in Hungarian 4 May 95 p 13

[Article by Zsolt Papp: "South Slav Trade Has Dropped by \$100 Million—2 Billion Losses From Sanctions—Foreign Minister Laszlo Kovacs Believes Hungary's Image Might Deteriorate"]

[FBIS Translated Text] "The south Slav crisis, and especially the clashes in Krajina, present more than just security risks for Hungary. Looking at it from large geographical distances—for example from Japan or the United States—the crisis zone appears to be too close to Hungary, and this is unfavorable for the whole country. At the same time, in international contacts, Hungarian diplomacy tries to give information on the country's situation, and that there is no danger of the south Slav crisis's spreading to Hungary," Foreign Minister Laszlo Kovacs told MAGYAR HIRLAP.

In the past four years, the Hungarian economy suffered losses of nearly \$1.9 billion due to the embargo on rump Yugoslavia. The size of Hungarian/former-Yugoslav trade was \$100 million less at the end of 1994 than in 1990. It cannot yet be predicted how the renewed Croatian-Serbian war will influence the south Slav trade of Hungarian companies, but an Industry and Trade Ministry [IKM] official does not expect significant decrease.

In 1994, the south Slav trade of Hungarian companies dropped to \$554 million. In 1991 and 1992, in the years of the outbreak of the war, a significant decline could be seen—IKM department head Judit Kovessi said. Hungary's relations with Slovenia and Croatia

started a robust development from 1993, while Serbian relations were determined by the UN embargo. With the new states—primarily with Slovenia, Croatia, and rump Yugoslavia—the Hungarian foreign trade goal was to activate relations. Achieving this goal did not meet with any obstacles in the case of Slovenia. The problem with Croatia is that one-third of it is under Serbian control and this area is lost for production; however, contacts are also intense here, Kovessi said. Due to the mutual liberalization of foreign trade, the number of trade companies has increased, while the cooperation advantages within Yugoslavia have ceased to exist. According to information from the Yugoslav Embassy, more than 20,000 companies with Yugoslav interest are operating in Hungary. Kovessi says the embargo is the reason for the high number of joint ventures: According to the UN sanctions, all trade relations are banned with Serbia, but this ban does not extend to natural persons. The sanctions do not prevent Yugoslav citizens from setting up private companies in Hungary: joint ventures or those with 100 percent ownership. Many of those setting up companies are trying to solve their livelihood problems through mainly trade ventures. Others founded companies in Hungary to create a foreign financing possibility for their Serbian parent company, to help it survive the sanctions. The number of Croatian-Hungarian and Slovenian-Hungarian joint ventures is below 50, and these operate in production, trade, and service (tourism) areas.

In accordance with the embargo on Serbia, it is only possible to export food, medicine, and goods to satisfy basic needs to the country, and the UN Sanctions Committee has to grant permission for each delivery. It is not permitted to bring any product out of rump Yugoslavia. In 1994, the Hungarian authorities received export permissions to a value of some \$1.5 billion, but goods were delivered for only \$28 million. The domestic companies that had requested the permits grossly overestimated the Serbian effective demand. Bosnian trade has significantly decreased: Maintaining contact is difficult due to the warlike circumstances, and a great degree of trust is needed in trade with this area.

The embargo measures also limit the transit deliveries: It is possible to ship everything on the Danube River

except for strategic products (crude oil and its derivatives, and certain chemical raw materials). Up to now, Hungarian river transport companies have been granted permissions; however, no permission has yet been given for overland transport.

Army Reform Threatened by Lack of Resources

LD1005154795 Budapest Kossuth Radio Network
in Hungarian 1000 GMT 10 May 95

[FBIS Translated Text] The Army reform—which is also necessary for our accession to NATO—is uncertain because the Finance Ministry does not want to give the necessary money to the Ministry of Defense. This was said at a forum organized under the title of "Links Between Economy and Defense." Karoly Levai reports.

[Levai] The most important task of the Ministry of Defense is to get its plans on Army reform approved [by government and parliament] and to implement this reform. This was said by Lieutenant General Karoly Janza, deputy state secretary at the Ministry of Defense, who stressed that the ministry had prepared three variants of the plan and completed the interministerial coordination talks. However, they are still in dispute with the Ministry of Finance because it does not want to provide the amount requested by the Defense Ministry.

According to the Defense Ministry, in 1996 at least 80 billion forints is needed to maintain the Army's ability to function, and a further sum of 10-15 billion forints is required to launch the reform process. The Defense Ministry admits that the Army's maintenance costs too much at the moment. However, now, when we have to adjust to NATO's organizational system, the main aim of the Army reform is to precisely create a smaller, cheaper but more effective army in Hungary. This requires more expenditure, for a short time.

Despite this fact, the Finance Ministry is willing to give only 77 billion forints, at the most, instead of the required 90-95 billion forints, Janza said. He added that the debate would soon be closed because the government would decide within weeks on the Army's reform plan, which will then be submitted to parliament.

Zubak, Silajdzic Address Federal Assembly
AU0505162295

[FBIS Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1415 GMT on 4 May carries a live relay of the seventh session of the Constituent Assembly of the Bosnia-Herzegovina Federation, discussing, among other things, the Bonn Agreement and the progress made in the implementation of the Washington and Vienna Agreements. The Assembly first unanimously adopts the conclusions concerning the implementation of the Bonn Agreement, and then opens a discussion on the Washington Agreement. The first speaker on this topic is Kresimir Zubak, president of the Bosnia-Herzegovina Federation.

Beginning his speech, Zubak says: "Ladies and gentlemen, esteemed deputies, the current situation in the internal and international political scene concerning the settlement of the Bosnia-Herzegovina crisis demands from us once again that we openly, without mincing words, speak about our mutual relations and views.

"For the last 400 days we have been trying to prove to each other, convince each other that we are in favor of the Federation, but differ in our views and stands. The fact that we disagree is nothing new or abnormal. There is no system in the democratic world, especially in the one in the making, in which there is a total unanimity of views.

"We are lagging behind mainly because the issues that we are arguing about are not subject to compromise, they are not subject to concessions. If we were to make such a compromise, it would quickly become invalid as we are talking about vital, lasting, and historical interests of the (?nation). Both Croats and the Bosniak Muslims have only just come out to the center of the stage, they are only debutantes in the creation of their own fate. The Croats have been waiting for their dream, their chance to rid themselves of tyranny, repression, and internal and foreign occupation for centuries, since 1463. The Bosniak Muslims have been doing it either for the same or perhaps a shorter length of time, and have had the same or a similar fate. So, what we have here before us, what we are arguing about is not happening often, but once in (?history). We are about to see the final denouement without fighting. We should not have illusions about the (?promised speed of that).

"The trouble also lies in the fact that we often disagree when we discuss issues that are not of vital importance for one people or both of them. Now that we have reached the stage where we have to make a step forward from that historical horror, it is obvious that some still think that they can make up for what they have been deprived of by history, for what was taken from them by

force at the expense of the other side, and that they can compensate for what was usurped by the unscrupulous aggressor at the expense of the weaker.

"When we have a joint enemy, those who think along these lines are doing it to their own detriment and for the benefit of the aggressor."

Wondering about the "kind" of Bosnia-Herzegovina the Croats and Bosniaks want, Zubak says:

"We either do not hold identical views on that, or misunderstand each other, even though we are looking for the way to cohabit. Therefore, one should say something about this.

"For the Serb chauvinists and extremists, from the ranks of the occupier, of course, Bosnia-Herzegovina is only a geographical term. We Croats, although the least numerous (?third), have a very firm stand dating back to the referendum. For us, Bosnia-Herzegovina is an internationally recognized state, as (?is the view) of the international community, but as regards its internal organization we see it as organized on the principles and the way that was determined by the Washington Agreement."

After expressing Croats' commitment to the Federation, Zubak says: "The Croats cannot be denied participation in or reproached for their conduct in the search for a solution without violence. We agreed in the past and still agree to all solutions with only one condition, a condition without which there is no our [word indistinct]. We demand the equality of all people on the individual level and the national equality [words indistinct]. This is the minimum and [words indistinct]. Without these principles there can be no talk about any system or internal setup of the state organization of Bosnia-Herzegovina. Deviating from that minimum would mean for us the betrayal of national interests, new social and national (?abyss), the renewal of totalitarianism, repression, discrimination and so forth. We representatives of the Croat people did not sign the Washington Agreement because of the dire need to end the war. We consider a federation to be a long-term solution, regardless of how the war is going to end, and how the (?situation) is going to develop on the battlefield, and regardless of whether the Serbs will accept to live in Bosnia-Herzegovina or not.

"We are being reproached, and this was also stated from this rostrum today, for (?promoting) first the Croat community and then the Republic of Herceg-Bosna. We are being reproached for creating a parastate, a parastate creation that has no legal and (?ethnic) legitimacy. Herceg-Bosna is a model in the given conditions, so that we can survive, so that we can protect ourselves, and

realize our aims, rights, and interests. I am stressing this not because [words indistinct]. It is a universal right of all individuals and peoples to self-determination. Our organizational form is that of people's self-governing Herceg-Bosna. Only we have the right to judge whether this model is good. Our aim is the federation and cohabitation with others, and we know that our historic fate is to live together with others on the same [words indistinct]. If and when an optimal and just solution is found in the Federation, be it with Serbs or without Serbs, Herceg-Bosna will not stand in the way of making a better and more prosperous future. We have laid down our cards and there is nothing (?concealed). We have no, nor can we have some (?ulterior) motives. If our elementary demand and minimum are denied, we must be prepared for another solution. Herceg-Bosna is in fact our ultimate necessity."

Commenting on relations between the Croats and Bosniaks, Zubak says: "A section of the Bosniak Muslim political, military, and even religious leadership is persistently advocating the political phrase of a multinational and multicultural Bosnia. However, since the signing of the Washington Agreement, the situation on the ground has been completely different: Pressure to emigrate, the abuse of power, forced mobilization, bans on the work of the Croatian Defense Council units, the prevention of setting up new municipalities, eviction from apartments and [words indistinct] and in other ways, the destruction and damaging of (?religious) facilities, the abuse of the work of humanitarian organizations and similar things. All this [words indistinct] and cannot be concealed. All this is aimed at causing rifts and [words indistinct] strengthening the ideology of the Bosniak Muslims as the core state-making nation that has a natural or God-given right to (?Bosnia). All discussions about who is the core or autochthonous nation and who is not, are generating destruction and disintegration [words indistinct].

"This is in fact compelling us to develop mechanisms and organizational forms to protect ourselves from such (?intentions) in order to avoid total devastation that we faced. For these reasons, therefore, Herceg-Bosna is not a form of secession, separatism, or compromising Bosnia-Herzegovina, let alone the Federation, nor is it an appendage to other creations, but our [words indistinct]."

Talking about the future of the Federation, Zubak says: "Our discussions and efforts to find a solution since the signing of the Washington Agreement have mainly been conducted without mentioning the third side, that is the Serbs. It is evident that the Serbs have decided to truly separate themselves from Croats and Bosniak Muslims. We still hope that the Serb people will find

enough strength to stop the chetnik-fascist leaders from their intentions, as this is in the interest of the Serb people. We know for a fact that the chetnik-aggressor forces do not want any dialogue at present nor any other way out except [words indistinct] use of force brought them considerable spoils. They devastated entire regions of Bosnia-Herzegovina, they displaced, killed people, and reinforced the doctrine of ethnic cleansing. They carried out unprecedented genocide against Croats, and especially the Muslim people. Nevertheless, we have to take a stand toward this active factor, we must say what we think and how we think a peaceful solution should be found and stop [word indistinct] of this war. The way things stand at present, it is obvious that the denouement will come about primarily on the battlefield and less so with diplomacy and (?talks). In this sense, our first and foremost task is to stop the chetnik fascists with joint forces and reply to force with force. This requires from us to make additional efforts."

Commenting on the emergence of the "new idea" in the international community to create a "new form of confederation" on the territory of the former Yugoslavia, which "would certainly include Bosnia-Herzegovina," Zubak says:

"Gentlemen, we have had sufficient experience from the time when we lived together, from the [word indistinct] of socialist solidarity to fall into the trap again and enter into that Balkan [word indistinct]. I say it clearly here, the Croats cannot accept this. Our views are quite clear." Zubak then says that "we will invest all efforts and political and moral energy on creating and consolidating trust between the Muslim Bosniaks and Croat peoples in practice."

Reiterating his commitment to the federation, Zubak says that the "Federation for which we fight should be opened to the Serb people, under, of course, the well known conditions."

Assessing the work of the government on the implementation of the Washington Agreement, Zubak says that the Governments of Republic of Bosnia-Herzegovina and the Bosnia-Herzegovina Federation should be separated, describing the current organization of the government as "inefficient." He says that right from the start of the Federation, he was in favor of one single government representing the Republic and the Federation, and that the present setup was bound to lead to conflicts. He says that the "government has become the source of disputes and showed itself to be inefficient." He partly blames this on the government's "legal-political accountability" to both the Assembly of the Republic and the president and the vice president of the Federation. This in fact led

to a "lack of or insufficient accountability of the government to either side."

Zubak then goes on to criticize the government for not submitting to the president and vice president of the Federation Government "a single report on the work of the government or the problems in the work of the government, on the program of work, the plans for removing legal parallelism, activities concerning foreign affairs, plans for equalizing social status and general equalization of living, working, business, and other conditions in the territory under the Army of Bosnia-Herzegovina and the Croatian Defense Council, that is on the territory of the federation. This duality in responsibility, which is not known in any modern political system in the world, has had adverse effects on the efficient and principled implementation of our agreements. Not even the elementary work on organizational matters has been done. Except for ministers and deputy ministers, there have been no cases, or very few of them, of appointing operational officials, assistant ministers, or other officials in the judiciary, [word indistinct] and other departments in the government. Not even the rules of procedures have been adopted." Zubak also claims that the "reports and information from the government session, because of this kind and method and style of work, speak of mutual accusations and (?commotion) that are under the level of high government officials. This is not in the interest of our peoples, because, instead of personal differences and principal difference in views and stands being overcome, they are made deeper."

The second speaker in the debate on the progress in the implementation of the Washington Agreement is Ejup Ganic, vice president of the Bosnia-Herzegovina Federation.

Ganic begins his speech by explaining the "kind of Bosnia" Bosniaks want. He says: "We want an integral Bosnia, and we have the right to an integral Bosnia. We do not deny this right to an integral Bosnia either to Croats or to others who live in Bosnia. We want a Federation. We have signed (?an agreement) and accepted the Federation. For us, the federation is not an interim solution. We consider the Federation to be the permanent solution. Our sincere wish is to expand this federal concept that we have agreed with the Croats to the Drina. Do not reproach us for wanting to expand the Federation over the entire territory. We are building it together with you in the areas where we have agreed the Bosniaks and Croats constitute a majority population, and where they are not, we will try to do it, either with your help, which would be good, or on our own."

Commenting on the slow progress in setting up the Federation, Ganic says that "in the areas controlled by

the Croatian Defense Council, things are not good in some sectors. You are not allowing our humanitarian organization Merhamet to help the Bosniaks in the areas that you control. You have not allowed political parties to organize themselves, to do their work. This represents a lack of democracy. [words indistinct] let alone various taxes, robberies on roads, harassment, which do exist. The cases of eviction of people from their homes are still happening today. We have cases in which people have had their business premises taken away from them."

Further on, Ganic says that the "Federation implies the inviolability of private property. We will protect your homes in the areas that they you have left, and you look after ours. We do not want your private property, and you should return the private property that belongs to us. We consider private property to be sacred. There will be nothing of the Federation if private property is not respected."

Addressing some of the criticisms of the government raised by President Zubak, Ganic says that he has not "noticed the Croat representatives of the government attending sessions frequently," adding that their presence would be appreciated for the joint "development of the Federation."

The next speaker in the debate is Prime Minister Haris Silajdzic. He opens his address by saying that "I have a text here on the review of the activities of the Government of the Republic and Federation of Bosnia-Herzegovina on the implementation of the Washington Agreement and the Constitution of the Federation of Bosnia-Herzegovina. This text will be distributed to you, so I will not take up any of your time now to speak about what the government has or has not done. I can say here with full responsibility that if anyone has been working on the implementation of the Constitution of the Federation, then it has been the government. We are fully aware of the situation since we are being blamed for many things, the government exists to be blamed for many things, but, gentlemen, we will not allow partial assessments, particularly from those who have little to do with the government. To say that the government is the source of conflict, disagreements, and so on, is incorrect, incorrect. Under great pressure this government, in a political situation that I do not need to explain here as you are all aware of it, has done what it could and, I can freely say, even things that no one expected that it would have been able to do, and that is why I am here to say this."

He goes on to say that "the government is not a source of any disagreements. Our disagreements, perhaps we should have been public about it, stem from the absence of ministers of Croatian nationality from Sarajevo, and

generally the absence of officials of Croatian nationality from Bosnia-Herzegovina and the government seat and presidency, of both the president and deputy prime minister [words indistinct]. He says that "these claims are incorrect, and I think that they are connected with a desire to have the government proclaimed, as it was said, ineffective, and then separated into republic and federation governments. This to me seems to be the aim, since it has been put on the agenda here without any preparations or any agreement in the deputy caucus, as far as I know. So a very serious issue has been opened up here without any agreement."

Silajdzic then says that "I, gentlemen, have my own opinion about this, and I will try to present it to you in several points. I ask you for a little patience but these are very serious issues. So I will give you my opinion, that is my opinion when it comes to the separation of the Republic and Federation Governments. Now they are the same, the same personnel, just like the Assembly. Therefore the constitutional logic would demand that we do not even discuss the separation of the government, but instead discuss the creation of a political atmosphere in which the government can work. I will tell you this, which I think is true:

"Here, I think, is a conflict between two trends, two options, if I may say so. One option is the survival of Bosnia-Herzegovina as a state within its internationally recognized borders and this is the integrative option. And I agree that we have to discuss these things openly, since only by speaking openly will we reach some agreement. So the faction that is committed to the integrative option is trying to link up, put together what the aggression has torn apart and separated. It is trying to preserve the ties and links that have still not been broken off and destroyed.

"The other option is the dissolution of Bosnia. This is the disintegrative option. This is the faction that wants Bosnia to disintegrate, to disappear, and is trying to deepen the rifts created by the aggression, to tear up and separate everything that has not yet been divided. This concept is backed by certain people publicly and openly, and by others secretly and covertly. Those who are openly committed to the dissolution of Bosnia, express this publicly with the expression the former Bosnia-Herzegovina. There are some of those among us and at least that is in the open. Those who are secretly working on the dissolution of Bosnia say publicly that they want Bosnia-Herzegovina as a state within its existing international borders, but at the same time they are demanding that people be divided, that villages and towns be divided, that the energy system be divided, that telecommunications be divided, that municipalities, ministries be divided, and that the government be

divided, until the final division of the country of Bosnia-Herzegovina. Forgive me, but that is the language of those from Pale. They want to divide everything. I will just mention Krajisnik, who said in one interview that they would divide the haystack down to the needle in it. How far can one go with these divisions?

"Therefore, Karadzic's soldiers are getting killed for the division and destruction of Bosnia. Our soldiers are dying for the salvation and preservation of Bosnia. That is the basic difference. What I am trying to say here is this: There is not one soldier in the Bosnia-Herzegovina Army who is willing to die for anything less than the Bosnia we know from the middle ages onwards, within its borders, for Bosnia. On this territory there is no room for another state, there is no room for two states, only for Bosnia-Herzegovina as one and integrated, for a Bosnia-Herzegovina as we will build it, a democratic Bosnia-Herzegovina. [loud applause].

"Let me tell you, it would be unfair if we were to ask our soldiers to die for something that they do not know, for anything less than an integrated Bosnia. Believe me, not one of them would agree to that. Everyone who is fighting on the front, risking his life for this country, must be reassured that he is not doing so in vain. That is why this is not only a political issue, but an issue of elementary human ethics. Are we to say one thing and do another, while our soldiers pay for this with their lives? This is not a joke; this is not a joke. People are getting killed, people are giving their lives for something that we might bring into question with certain decisions."

Silajdzic continues, saying that "these are two trends, two options that have different views on the fate of Bosnia, so they also have different views on the aims of the Washington Agreement. One view is that the Washington Agreement creates the conditions for the reintegration of Bosnia-Herzegovina. When we were in Washington, we had in front of us, and Mr. Komsic from the presidency will correct me if I am wrong, we had in front of us the map of Bosnia-Herzegovina as a federation, the entire Bosnia-Herzegovina as a federation with the cantons. Of course, I hope, as those who spoke before me said, that the Serb people will finally reject the fascistic option, and join the other option. This, of course, will be very hard to achieve. We have no illusions about this, but it will happen in the end because there is simply no other way. So this is one view, that this is the reintegration of Bosnia, that the federal concept will be accepted on the entire territory." He says that "the other view is that the Washington Agreement is an introduction into the final partition of Bosnia [words indistinct]. According to this view, the Federation is incompatible with the Republic of Bosnia-

Herzegovina, and the sooner the Republic disappears, the sooner will the Federation live.

"This is not a new idea. It has been worked out, and is spoken about sometimes quietly, sometimes very loudly, depending on the needs of the headquarters that stand behind this. The only differences that appear here are whether the Republic of Bosnia-Herzegovina should disappear when the proposed 51 percent of the territory is reached, or whether it should be dissolved immediately, and a Federation formed on the territory that we have now with an international status [subjektivitet]. [words indistinct] that this is a small territory, and they believe that it can be extended if this small federation forms a confederation. This is a comprehensive political concept, and concrete moves are being made in accordance with this logic [words indistinct]. The republic is being confronted with the Federation at every step of the way, even though the constitution clearly says that the Federation is a part of the republic. A conflict in authority is created even where it does not exist. There are demands for a definite separation of the Federation from the Republic so that the Federation can secede from the Republic. I cannot imagine what else the aim of this would be. The Federation only has weight as a part of the Republic, an internationally recognized republic with its sovereignty, territorial integrity, and so on."

Silajdzic then reads out some parts of the Constitution, saying that "it does not leave any room for different interpretations" as to the status of the Federation of Bosnia-Herzegovina in relation to the Republic of Bosnia-Herzegovina. He again reiterates that "the government is not the source of misunderstanding." He turns to the competences of the Federation versus the Republic, saying that "there is no dilemma about the fact that the Republic of Bosnia-Herzegovina is an internationally recognized country, and that the republic is the bearer of the international status. Therefore, the competences of the Foreign Ministry are the republic's, since the federation is not an internationally recognized country. But the relations and acts of this ministry have been federalized. The minister and his deputy make decisions together when they appoint officials according to the national proportion in accordance with the Constitution of the Federation. The same is the case with all the other ministries, and one should keep in mind that both the Republic's and Federation competences are carried out in each ministry. When, for example, Minister Zdravko Ljubic signs a cooperation agreement with a government of another country in the field of health issues, he does that because he is also a Republic minister since as a Federation minister he would not have that authority. When the same minister is working

on the distribution of medical aid within the country, he is doing so as the Federation minister. That is why the solution is in the fact that he is both the Republic and Federation minister, but the relations and procedures are always in accordance with the federal (law)." He says that "this prevents the conflict of competences," and "is based on practical reasons, which enable the war endangered state mechanism to function in a more effective and rational way, and not the other way round, it does not make it ineffective."

Silajdzic says that "the government set up this way can function, but only of course if it is not obstructed. And it is being obstructed. I will tell you on some other occasion what kinds of things are being done to this government. I will inform you in writing about what kinds of things are being done to prevent this government from functioning."

Silajdzic says that "there has been some talk here about majorization. I know that the Croat people see this as a problem. I know that this is a legitimate issue, this majorization, since we have had it, too. I spoke to some deputies and asked them why they did not attend the republic assembly sessions, since they are also deputies in the republic assembly. The issue of majorization is not solved there, but in this Constituent Assembly, in this forum, that issue has been solved. A solution can be found to avoid majorization in the Republic Assembly, if the deputies from the ranks of the Croat nation all attend the republic sessions as well. That is how we give legitimacy to our state, and the Federation cannot exist without the state. Some people question the presidency. You cannot question the assembly and the presidency and still speak about recognizing the country. Let us see, perhaps it is possible to find a solution for this, I have spoken about this with Mr. Komsic, for both the presidency and the Assembly. Instead of dividing the bodies in which we are together—we are not in the assembly together, and the presidency is brought into question—so that only leaves the government, and if we divide that as well, and some sort of a Muslim republic government is formed in Sarajevo, and a Croat one in Herceg-Bosna, which is of course under quotation marks, and a federation one remains to coordinate, then there is no system left.

"One more time: I know that we are all putting in some sort of an effort to bring the Federation about. I do not doubt at all that most of us here truly want it. The people want it. I absolutely do not doubt that because it can be seen at every step, and it will happen regardless of whether I or someone else want it, and I want it."

After Prime Minister Silajdzic, Federation President Zubak takes the floor again.

Zubak rejects Silajdzic's remarks on "partial assessments" about the work of the government, "particularly from those who have little to do with the government," saying that the "one who has made these assessments is in fact the one who has appointed the very government."

Commenting on the work of the government, Zubak says that government has failed to produce the rules of procedure on the work of the government because it cannot agree on "which day" its regular sessions should be held.

Concluding his speech, Zubak says that "although the chances of the Serb people accepting this model, accepting joint life are small, at least in the near future, this model, Bosnia-Herzegovina stands a chance only if the concept of the federal Bosnia-Herzegovina, presently between the Croat and the Muslim Bosniak people, comes fully to life, in line with the principles we have (?agreed on). If this does not happen, the process of disintegration of Bosnia-Herzegovina will continue and Bosnia-Herzegovina will not have a chance to reintegrate itself. Therefore, instead of trying to convince each other who favors the Federation more, whether the present organizational form of the government's functioning is good, or whether it should be changed in order to speed up the setting up of the Federation, instead of discussing that, we should try not to deepen the differences again, we should not cast doubt on each other, we should speak openly, since we have a common aim."

He then says that "I think I have sufficiently and thoroughly explained the project, the model of organizing the Croat republic of Herceg-Bosna and explained that it constitutes a legal, legitimate, universal human right of both individuals and peoples. Therefore, Herceg-Bosna will not be an obstacle to the building of the Federation if we go into it with open and clear accounts and with common aims. Therefore, our proposal to think about and consider the current and future organization of the Government of the Federation serves this purpose, and not the purpose that was mentioned here a few minutes ago. Thank you."

The last speaker in the afternoon part of the assembly session is Jadranko Prlic, deputy prime minister in the Government of the Bosnia-Herzegovina Federation. He says he has carefully listened the previous speakers and thought that these needed to be "analyzed" again. He says that "these speeches contained political and legal stands that seriously question the entire project." According to Prlic, most issues mentioned today "should have been discussed a year and half ago," and that many issues raised today he thought had already been "completely solved." He then urges deputies to hold a

debate on "measures that need to be taken for the project to be realized."

Concluding his speech, Prlic says that "the government must be secured certain conditions for work," and appeals for a "more constructive approach in settling all problems."

Izetbegovic Dissatisfied, Protests to UNSC

AU1005075995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0700 GMT 10 May 95

[FBIS Translated Text] President Alija Izetbegovic of the Bosnia-Herzegovina Presidency has sent another letter to the UN Security Council (UNSC), in which he expresses dissatisfaction with the implementation of the UN forces mandate in Bosnia-Herzegovina.

Silajdzic Calls For End to Negative Stance

NC1005095595 Cairo MENA in Arabic 0835 GMT 10 May 95

[FBIS Translated Text] Sarajevo, 10 May (MENA)—Bosnia-Herzegovina's President Haris Silajdzic has warned Europe and the international community against continuing their negative stance toward events in Bosnia in general and in the capital Sarajevo in particular. He clarified that this negative attitude might result in cases of extremism among the ranks of the Bosnian people and could exceed the geographic borders of Bosnia-Herzegovina.

In an interview with MENA's correspondent, Silajdzic said the UN position not to launch air attacks through the NATO forces on the Serbian positions that continue to shell Sarajevo and its residential districts goes against international norms to preserve the lives of civilians and contradicts the Security Council and NATO resolutions regarding the conditions on the Bosnian capital. According to these resolutions, the Bosnian capital is placed under international protection, is disarmed of its heavy weapons, and is secured with regard to getting relief supplies to its civilian population.

The Bosnian prime minister said European, Russian, and U.S. platitudes to the Serbs have cost the international Contact Group on Bosnia its effectiveness and stripped it of the possibility of finding a clear and serious vision regarding a solution to the Bosnian crisis. Therefore, they have started to try to contain the crisis inside its borders and to work on not spreading the spark to any neighboring countries.

Silajdzic again urged the Arab, Islamic, and peace-loving nations to rescue the Bosnian people, by putting pressure on the Serbian side to accept the peaceful solutions or to attempt to lift the ban on importing weapons to the

Bosnian Government so that it can defend the Bosnian people.

Karadzic Congratulates Chirac, Frees Pharmacists
LD0905130495 Belgrade SRNA in Serbo-Croatian
 1227 GMT 9 May 95

[FBIS Translated Text] Sarajevo, 9 May (SRNA)—Srpska republic President Radovan Karadzic today congratulated Jacques Chirac on his victory in presidential elections in France.

"Congratulating you on your election as French president, we would like to inform you that in honor of your election we have decided to allow the accused members of the Pharmacists without Frontiers from France and America to defend themselves outside custody.

"Thanks to the influence of his Holiness Serbian Patriarch Pavle the accused members of the Pharmacists without Borders will be handed over to the Serbian Orthodox Church which will send them back to France," says the Srpska republic president's letter of congratulations which was forwarded to SRNA by the Srpska republic bureau for press contacts.

3d Corps Reports Expulsion of Teslic Bosniaks
AU0905191395 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1700 GMT 9 May 95

[Report by the Press Center of the Bosnia-Herzegovina Army 3d Corps]

[FBIS Translated Excerpt] The process of the expulsion of the Bosniak-Muslims from the territory under chetnik occupation continued today with the expulsion of more than 120 women, children, and old people.

Following the preliminary agreement with the aggressor on the exchange of the prisoners of war, the legal Bosnia-Herzegovina authorities were informed by the aggressor that a certain number of people were expected to cross over to the free territory with the mediation of a quasi-humanitarian organization. This dour wording depicted the expulsion of the innocent residents, whose only fault, according to the aggressor, was that members of their families were allegedly situated on our side.

The exchange proved that this was a blatant lie. Male members of families were mostly taken away from their homes to an unknown destination, while the women and children were then chased in the direction of Tesanj with the inevitable statement that they were going to their own people. All this took place under the organization of the Red Cross of a nonexistent Srpska republic, which charged 110 German marks per head for the departure of each child and woman. For the privilege to leave the

town ahead of the scheduled departure, one had to pay 4,000 German marks, if one was lucky.

The stories of the exiled people are more or less identical. Life in Teslic is intolerable for everybody and there are increasingly more Serbs who have realized this and are also fleeing from Teslic. Those Serbs captured while attempting to flee are mistreated in the same way as the Muslims. [passage omitted]

1st Corps Reports Intensified Attacks on Sarajevo
AU1005105795 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1000 GMT 10 May 95

[FBIS Translated Text] We have just received the latest report from the Information Service of the [Bosnia-Herzegovina Army] 1st Corps.

The aggressor's attacks with heavy weapons have suddenly intensified against various parts of the city. From the enemy positions at Orlovac, four shells from a portable rocket launcher, two 60-mm mortar shells, and one shell from a recoilless gun have been fired over a relatively short time.

From the temporarily occupied Grbavica, apart from small arms fire, the enemy has been firing rifle-launched grenades at the area around the Unioninvest building and Sisica Kuca. The defense lines and other parts of the free territory of the city have been exposed to small arms fire.

The citizens are again warned to exert maximum caution as warranted by situations such as this one, reports the 1st Corps Information Service.

Serbs Report Croats Targeting Brcko, Samac
LD1005085095 Belgrade SRNA in Serbo-Croatian
 0805 GMT 10 May 95

[Received via fax]

[FBIS Translated Excerpt] Banja Luka, Bijeljina, 10 May (SRNA)—Units of the Croatian Defense Council forces and the regular Croatian Army launched a strong artillery and infantry attack against Serb positions and civilian targets from the direction of Orasje at 0600 this morning, the press center of the [Bosnian Serb] 1st Krajina Corps has reported.

According to the same source, Croatian artillery is targeting all [Serb-held] villages and particularly the towns of Brcko and Samac in Posavina, where a general alert has been sounded and the people are in their shelters.

Artillery shells are also landing on the road linking Serb Krajinas with the Federal Republic of Yugoslavia, and

the Srpska republic army unit in charge of the road has closed it for traffic between Modrica and Brcko.

Special Police Unit Celebrates First Anniversary

95BA0221A Mostar HRVATSKI LIST
in Serbo-Croatian 31 Mar 95 p 30

[Interview with Brigadier Zlatan Mijo Jelic, commander of the Special Police Sector and assistant minister of internal affairs of the Croatian republic of Herceg-Bosna, by Gojko Jelic; place and date not given: "We Had an Honorable Mission—We Were the First To Enter Kupres"]

[FBIS Translated Text] The Duke Stjepan Kosaca Croatian Center was the scene of a ceremonial review of members of the Special Police Sector of the Ministry of Internal Affairs [MUP] of the Croatian Republic of Herceg-Bosna [HR HB] to celebrate the founding of this elite unit. During the past year, its zone of operation has been in the areas of fiercest fighting and it has been given the most difficult police assignments all over Herceg-Bosna. The lads who make up this unit evoke pride and inspire confidence. These lads carry this blood-soaked lump of Croatian earth deep in their heart. A year of operations is not a long time, but every minute of it has had decisive importance. Every minute was a fight for the freedom of the Croatian people. But it is not a matter of one year, because the unit is made up of hardened warriors from the battlefields of Croatia and Herceg-Bosna. Those gathered at the ceremonies were addressed by Mr. Valentin Coric, internal affairs minister, who performed the ceremonial review of the unit, and then his colleague from Croatia, Mr. Ivan Jarnjak, and Dario Kordic, president of the HDZ [Croatian Democratic Union] of Bosnia-Herzegovina. The best members of the Special Police were presented pistols as a sign of recognition. The promotions of members of the unit were read out at the review, and HVO [Croatian Defense Council] Major Mladen Mistic, father of Tihomir Mistic, the Croatian knight, presented to Brigadier Zlatan Mijo Jelic, commander of the Special Police Sector and assistant minister, a letter of gratitude for his entire contribution during the war.

Because of his high qualities as a man and soldier, Brigadier Jelic, who was promoted during the review, enjoys the immense confidence of all his men, but also of high-ranking military and political officials. He is an authentic representative of the young generation whose qualities and authentic patriotism have been questioned by many people. At the age of 23, there was every reason to entrust him with the role of defense commander of Mostar. The units to which he has belonged and which he has commanded have always been victorious in their war career.

Recently, he has been receiving maximum attention from the media. He was the first to enter Croatian Kupres with his Special Police, and the Special Police have been an important factor in the campaign to combat illegality.

How is the police sector organized, we asked Brigadier Jelic at the beginning of the interview.

[Brigadier Jelic] The Special Police were founded in January 1994. Our members are scattered all over Herceg-Bosna (Orasje, Vitez, Zepce, Kiseljak, Livno, and Mostar). An antiterrorist unit has been established at the level of the HR HB and stationed in Ljubusko.

[Jelic] What is your sector's task?

[Brigadier Jelic] The Special Police have a specific task, which lies somewhere between the military and the police.

[Jelic] How does one become a member of the Special Military Police?

[Brigadier Jelic] Quite simply. All those who are honest and brave and are well drilled soldiers are taken under consideration. Those characteristics are guaranteed by their commander in their home unit. They also have to pass a test of psychophysical abilities.

[Jelic] What kind of training do the Special Police go through? How many of you are there?

[Brigadier Jelic] The Special Police go through daily training, which is patterned after the most elite units in the world. We are the only unit in Herceg-Bosna which has a diving team. We are specialized in carrying out the most complicated combat operations under all weather conditions and in all terrains. The Serbian Army knows our strength best, because it has felt it on its own skin. We are numerous enough to be able to carry out any mission assigned us. Every day we are stronger and better equipped and readier to move out on a mission, to liberate the occupied areas of Croatia. We carry out training in training centers in Herceg-Bosna and in Croatia. On this occasion, I would express gratitude to our colleagues from Croatia for the professional assistance they have rendered us.

[Jelic] You are only one of the special units which the Croatian people has in its military organization. So, it is not true as malicious people have frequently argued in one segment of the public that the Croats are bad fighters....

[Brigadier Jelic] This war has demonstrated that the Croats are the best fighters. In conflicts with elite Serbian units, our unit has confirmed my opinion. The Serbs had success only at the beginning, because the

Croats were unarmed. But they did not subdue us even though they had immense superiority of military equipment. But now that our equipment is at a high level, the Serbs have no chance of winning.

[Jelic] In view of the historic significance of operations on the Kupres-Livno battlefield, recall for us the important share of the Special Police in that fighting....

[Brigadier Jelic] The Special Police were assigned the central axis of operation from Sujica via Donji and Gornji Malovan to the very entrance to Kupres. The fight for Opaljenica, in which we took the hills above Malovan, lasted two days. We were quite successful in direct conflict with the Panthers and Mauzels, special Serbian units. The battles for Celebic lasted five days. Large quantities of weapons and ammunition were captured, and another special unit, a team from the "security center" in Banja Luka, was wiped out. I would like on this occasion to thank all members of the Special Police who fully carried out their orders together with other units of the HVO. I send my condolences to the families of members of the unit who were killed, and we will take maximum care of their families as well as our own wounded.

[Jelic] Where are the Special Police forces deployed now?

[Brigadier Jelic] At the moment, while going through everyday training, they are doing police work. Some of them are receiving additional schooling.

[Jelic] The Special Police have an important task in the Commission for Combating Illegality, which is founded on one of the recent meetings of the Presidential Council of the HR HB....

[Brigadier Jelic] The Special Police will certainly do their part of the job completely. But the success of the campaign also depends on the persistence of opcina and judicial authorities. We are preoccupied at the moment with the campaign in Mostar, and parallel to that an action has started in Siroki Brijeg to halt

wildcat construction in the Puringaj Forest Park. From the reports I have received, everything is proceeding according to plan.

[Jelic] In your recent speech at the ceremonial review, many interpreted the sentence "that the Special Police are made up of honest Croats, not war profiteers and bureaucrats" as a kind of attack on people who, to put it mildly, put their personal interest ahead of the destiny and defense of the homeland....

[Brigadier Jelic] I may have my own personal opinion about those people, but we do not interfere in the affairs of state agencies. When they need our help, they will get it.

[Jelic] The Serbian aggressor has been carrying out provocations on the Stolac and Kupres battlefield. What is your opinion about those attacks?

[Brigadier Jelic] By using long-range artillery, the Serbs are making propaganda addressed to their own people, offering them a false impression that they will go back to the positions they have lost, although they themselves are aware that they will never again set foot on Croatian soil. They have no chance of even holding the other occupied areas of Croatia.

[Jelic] Some of the fiercest battles of this war are associated with Mostar. You and your lads had the most difficult trials of the war on an urban battlefield as members of various units. How do you see the fate of Mostar?

[Brigadier Jelic] Mostar is the capital of the Croatian Republic of Herceg-Bosna. We defended most of that city, and I believe that the Croatian political supreme command will not agree to any solution that will be harmful to the Croatian people. Although this is still wartime and a time when states are being created, Mostar is every day becoming an orderly and safe city. That will be a factor contributing to its stability and tenacity.

Tudjman Adviser: We Are Prepared To Negotiate
BR0905151095 Madrid EL MUNDO in Spanish
7 May 95 p 22

[Interview with Vlado Gotovac, adviser to President Franjo Tudjman, by Julio Fuentes in Zagreb; date not given: "There May Be Total War"]

[FBIS Translated Text] An adviser to Croatian President Franjo Tudjman, parliament member Vlado Gotovac fully justifies "Operation Highway" in order to prevent more deaths of Croatian citizens at the hands of the Serbs. He said that the Croats are in favor of negotiation and they have no interest in prolonging the conflict.

[Fuentes] Do you think that in the future the rebels in the self-proclaimed republic of Serbian Krajina will have the military and political support of Serbian President Milosevic and Bosnian-Serbian leader Radovan Karadzic?

[Gotovac] It is possible. If they do receive that support, despite a lack of reasons for giving such support, it will mean total war.

[Fuentes] Croatia is accused of maintaining an aggressive, military, and even neofascist attitude. The United Nations even went so far as to accuse the Croats of violating human rights during the last military offensive. Do not such accusations ruin Croatia's latest military victories?

[Gotovac] Those are just lies aiming to discredit Croatia. It is a biased interpretation suited to fit in with the political moment.

Nobody is prepared to admit that Croatia had good and just reasons for launching this limited military action (in Western Slavonia) because that sort of acknowledgment bothers people.

[Fuentes] Why did you launch the offensive against Krajina at the time the UN-brokered cease-fire ended?

[Gotovac] Because there had been a series of serious incidents on the highway (linking Zagreb to Belgrade) that ended with the death of eight Croatian citizens. This was not exactly an unimportant incident as some people wrongly say.

The people killed were citizens travelling peacefully in their civilian, unarmed cars. If we were to allow them to be killed with impunity, then more people would be killed tomorrow. Our highway has to be free.

[Fuentes] What is the political purpose of the attacks launched by the Serbian independence supporters in Krajina against Zagreb?

[Gotovac] With these attacks the Serbian terrorists in Krajina, I prefer not to talk about the Serbian Serbs, are trying to force the Croats to withdraw from the territories that we have liberated. Let there be no mistake. These reconquered territories (in Western Krajina) belong to our country and were snatched away at gunpoint. We took them back, militarily of course.

[Fuentes] Do you not fear that the Croatian offensive will unleash total war in your country and that it will spread to Bosnia?

[Gotovac] I hope not. We are prepared to negotiate, although I cannot be sure about what our government will do. We do not intend to prolong this conflict but I am not in a position to confirm this.

Akashi Gives Serbs Assurances of Refugee Safety
LD0905222395 Belgrade TANJUG Domestic Service
in Serbo-Croatian 2034 GMT 9 May 95

[FBIS Translated Text] Belgrade, 9 May (TANJUG)—Yasushi Akashi, special envoy of the UN Secretary General, talked with republic of Serb Krajina [RSK] President Milan Martić about the situation in Western Slavonia and the rescue and safe exit of Serb civilians from a situation in which they are surrounded on the territory of the RSK.

The two-hour talks were also attended by RSK Prime Minister Borislav Mikelic, Foreign Minister Milan Babic, and Gen. Milan Celeketic. "We talked about how to ease tensions and the scope for reducing the suffering of the people, and particularly the possibilities of enabling everyone to leave this area safely provided they want to," Yasushi Akashi said following the talks.

Akashi noted that Martić had informed him about cases of human rights' violations in Western Slavonia. Akashi promised for his part that the United Nations would do its best to compile available information and check and assess it. "Preparations for a safe departure from the area of Western Slavonia have been completed while a group of Serb civilians has already come close to the bridge over the Sava", Akashi said. He said he believed that everything would unfold in the best possible way, particularly as in the meantime UN observers, UN civilian police, humanitarian organizations such as the ICRC and others have been allowed to move freely.

"I also hope that in the meantime the tensions surrounding Sectors North, South, and West will subside considerably with cooperation from both sides. This is also one of the important questions to which I wanted to draw the attention of the Serb delegation," Akashi said.

Akashi denied the claims that the United Nations was in effect assisting the ethnic cleansing of Serbs in this

area, explaining that UNHCR teams applied standards of selection or staying [as received] based solely on every individual's free will.

In Martić's words, the key issue at these talks was the rescue of those civilians who are encircled as well as those who have been deceived into being arrested by the Croatian authorities and taken to prisons in Varazdin, Bjelovar, and Požega. Martić said that on 3 May, the RSK signed an agreement with the United Nations. The same agreement was signed by the Croatian side. Under this agreement, anyone who wishes so will be allowed to leave the encircled area [okruženje] and cross over into the Srpska republic in Bosnia.

Martić however said that "the agreement has not been observed. The Croatian side deceived both us and the United Nations by sending people to prisons where they are now being interrogated. We have been told that about ten people have already been suspected of war crimes. Only a small number of children and the elderly, about 250 in total, has been released," Martić said.

"We told Mr. Akashi that we are not satisfied with the pace at which our people are being released and that the Serb people's patience is being exhausted. This can escalate into a large-scale conflict."

"We do not wish to use the threat of war, we have not favored war but both the United Nations and its Security Council have played a trick upon us since it is obvious that the aggression against Western Slavonia was well prepared and that it received support from western powers, above all from the United States and Germany," Martić said.

Martić said that he did not want to talk about the proposal for the separation of forces in other sectors describing it as hypocritical, to say the least, coming as it did from the Croatia side whose aim it is to freeze the existing situation in Western Slavonia and to derail the talks by shifting the focus on marginal problems. Martić said that this issue would only be discussed once the Croatian forces withdrew to their initial positions.

Akashi was also informed about the RSK's insistence that the whole of Western Slavonia be declared protected zone in which the population would be under direct UN protection. Martić thanked Akashi for his peace efforts and expressed hope that over the next few days the situation would be resolved in line with the agreement. Martić said that Akashi was given evidence of the crimes committed against the Serbs in Western Slavonia and expressed hope that if it was genuinely interested in peace, the UN Security Council would take stricter measures against Croatia in the light of its fourth aggression that had gone unpunished.

Mikelic Comments on Talks With Akashi

AU0905205795 Belgrade Radio Beograd Network in Serbo-Croatian 2000 GMT 9 May 95

[Statement by Borislav Mikelic, prime minister of the republic of Serb Krajina, following talks with Yasushi Akashi in Belgrade on 9 May—recorded]

[FBIS Translated Text] We can conclude that the entire region of Western Slavonia—with the exception, of course, of Mount Papuk where the peace forces do not have real control—[changes thought] we were informed on Sunday that in all other areas the peace forces have freedom of movement, that the same applies to the UN High Commissioner for Refugees, which means that they now have the possibility of investigating what happened to the victims, whether some of our people are still in the woods, and whether crimes were committed there that the public knows nothing about.

Second, we want the UN Security Council to demand the release of all imprisoned persons so that they can rejoin their families, because the women and children will not leave Pakrac until the men return.

UN Spokesman: Line of Separation 'Still Tense'

LD0905220695 Belgrade TANJUG in English 2125 GMT 9 May 95

["Pool" item]

[FBIS Transcribed Text] New York, May 9 (TANJUG)—A U.N. spokesman said on Tuesday [9 May] that the situation along the lines of separation between Croatian and Krajina Serb forces was still tense and that Croatian troops that had invaded the U.N.-mandated zone of separation had not pulled out.

Spokesman Joe Sills said that the situation in the Western Slavonia region was returning to normal, but that agreement had not been reached on the evacuation of the remaining Serb civilians. The Croatian Army invaded the Western Slavonia region in the U.N.-protected republic of Serb Krajina on May 1, killing at least 1,000 Serb civilians.

Croatian troops were firing even on columns of Serb refugees, mostly women, children and old people trying to cross into the neighbouring Bosnian Serb republic for safety. Sills said that an inquiry had been instituted to determine how many people had been killed and how on the road from Okučani to Stara Gradiska, both in Western Slavonia, where the biggest massacre of civilians appeared to have been made.

THE NEW YORK TIMES said on Monday that the Croatian Army was washing the road with detergents to

obliterate all trace of the massacre of Serb refugees, but the Croatian Government was denying making any deliberate attack on civilians. Sills said there were indications that the civilians had been attacked deliberately, but it was difficult to say anything with certainty before the end of the inquiry. He said that U.N. Secretary-General Butrus Butrus-Ghali had called an emergency meeting for Friday in Paris with his special envoy Yasushi Akashi, U.N. mediator Thorvald Stoltenberg and U.N. force commander Gen. Bernard Janvier to discuss the situation in the former Yugoslavia.

Situation 'Fragile' as Both Sides Reinforce

*AU1005110295 Paris AFP in English
1012 GMT 10 May 95*

[FBIS Transcribed Excerpt] Zagreb, May 10 (AFP)—Croatians and Serb separatists continued mobilising reinforcements Wednesday as the UN expressed "serious concern" for the fate of UN soldiers cut off for nine days by Croatian forces.

Alun Roberts, spokesman for the United Nations' southern sector in the Serb-held stronghold of Knin, said Czech soldiers stationed at nine observation posts in the region had not received any supplies in nine days. He added that one of the soldiers had been slightly injured Wednesday morning northeast of the town of Gospić, located 170 kilometers (72 miles) south of Zagreb, in part of a zone where both sides agreed to a ceasefire last week.

Roberts, who was reached by telephone, said it was unclear who fired the shot that wounded the UN soldier. "The situation is very fragile, with signs of reinforcements in some places," he said. [passage omitted]

SRS Demands Vote of No Confidence in Mikelic

*AU1005115895 Knin Srpski Radio Krajina Network
in Serbo-Croatian 1900 GMT 9 May 95*

[FBIS Translated Text] In a letter to RSK assembly Chairman Rajko Lezajic following the events in Western Slavonia and the mass exodus of the Serb population, the club of the RSK Serb Radical Party [SRS] deputies demands that an extraordinary assembly session be urgently convened with the following agenda: Analysis of the events in Western Slavonia and determining personal responsibility for the tragedy, the proposal for the vote of no confidence in the RSK prime minister.

We demand, says the RSK Serb Radical Party deputies' letter to RSK assembly Chairman Rajko Lezajic, that you follow up our demand without resorting to possible formal irregularities, the number of signed deputies, etc.,

for we are certain that an overwhelming majority of deputies support our demands.

'Croatian Nationality' Proposed to Slavonian Serbs

*LD0905162095 Belgrade TANJUG in English
1544 GMT 9 May 95*

["Pool" item]

[FBIS Transcribed Text] Geneva, May 9 (TANJUG)—Croatia has called on Western Slavonian Serbs who failed to escape the Croatian aggression to accept Croatian nationality. UNHCR spokeswoman Christiane Berthume told reporters Tuesday.

Berthume could not tell TANJUG correspondent whether the acceptance of Croatian nationality was a condition for the Serbs to remain in their homes and ancestral lands. On May 1, the Croatian Army launched an offensive on Western Slavonia, which is part of the republic of Serb Krajina and a U.N. Protected Area.

Over 1,000 Serb civilians were killed in the Croatian aggression. More than 1,700 men have been taken to camps and about 13,000 civilians have found refuge in the neighbouring Srpska republic. At least 1,000 Serbs are still surrounded by Croatian forces.

UNCHR spokeswoman could not say whether Croatia's practice of converting Christian Orthodox Serbs into Catholicism would be tacitly approved. During World War II, Croatian fascists (ustashi) set up the so-called independent state of Croatia, allied to Hitler's Germany. The ustashi forced Serbs to convert if they wanted to survive.

Moreover, the ustashi pursued the policy of exterminating one third of the Serb population, expelling one third and converting one third. Over 700,000 people, mainly Serbs, but also Jews and Gypsies, were brutally put to death in Jasenovac alone, a concentration camp set up by the Ustashi during World War II.

RSK Assembly To Discuss Western Slavonia

*AU1005115195 Knin Srpski Radio Krajina Network
in Serbo-Croatian 1900 GMT 9 May 95*

[FBIS Translated Text] RSK assembly Chairman Rajko Lezajic gave a brief explanation to the press saying that they had consultations with all RSK [republic of Serbian Krajina] clubs of deputies except the Club of the Serb Socialist Party, and that they all agreed that the analysis of events in Western Slavonia be the main agenda item of the upcoming third sitting of the first regular assembly session.

With regard to that, I sent a demand to President Milan Martić, chairman of the Supreme Defense Council,

and RSK Prime Minister Borislav Mikelic to prepare information for the assembly session, so that I can set a date for the assembly session, said RSK Assembly Chairman Rajko Lezajic.

Slavonian Serb Refugees in State of Uncertainty
LD0905150595 Belgrade TANJUG in English
 1358 GMT 9 May 95

[By Nikola Stanojevic]

[FBIS Transcribed Text] Zagreb, May 9 (TANJUG)—The May 1 and 2 Croatian aggression on Western Slavonia, codenamed 'Bljesak' (Flash), has left local Serbs in a state of uncertainty and concern for the fate of their families. Eight days after the aggression, the Croatian authorities allowed a group of Yugoslav journalists to visit some parts of Western Slavonia and meet with the Serbs, primarily those who were arrested, taken to Croatian camps and then released.

The Croatian authorities have released over 300 captives, mainly teenage youths and old people. More than 1,000 of them are still being investigated in Croatian jails. The Croatian aggression killed about 1,000 Serbs, many of whom were died when the Croatian Army bombed columns of refugees. The refugees, who on May 1 crossed the bridge over the Sava River near the town of Gradiška, speak about the events in the vicinity of the town of Pakrac.

In the village of Japaga some 30 refugees have so far submitted requests for Croatian citizenship. The reminder know nothing about the fate of their families and whether they managed to reach safety by crossing the Sava. In the Serb village of Seovici, a group of 60 people, mainly the elderly, have been given accomodation in an elementary school. They sleep on the floor or on benches. They were released from the prison in the town of Bjelovar, but are afraid to return to their villages on Mt. Psunj. They fear for the fate of their families who fled before the Croatian attack by crossing the Sava.

A sixty-year-old man, with tears in his eyes, wonders whether his daughter, a student, is still alive. She fled her village with two other families towards the Srpska republic. 'They shared the same track, but I heard it came under attack close to the village of Benkovac, at the foot of Mt. Papuk. I don't know what happened after that,' he says. All Serbs say they had been correctly treated during the interrogation in Bjelovar. They say they had not been beaten and had received food and water. A man from the village of Trenkovic confirms this. He was arrested along with 30 other civilians and was released on Sunday. He was also worried about

what had happened to his family and said he wanted to leave Croatia.

'The authorities tell us to stay, but we do not trust them,' he says. The old man goes says [as received]: 'I was beaten in 1941, when I also had to run to save my life. Now I am too old to go through the same thing again. We would like to get out.'

A group of boys between the ages of 15-17 also arrived in Seovici. They had been held prisoner in Bjelovar and were among the first to be released, together with a number of invalids. One of them swallows his tears and says: 'I come from Celinci. Dad is in Bjelovar. I do not know what happened to Mom. I want to cross the Sava.'

An elderly woman, dressed in black says: 'my daughter-in-law and her two children left with the others. I pray to God that they are alive. My elder grand-daughter was the best pupil at the local school and all the teachers praised her. I do not know whether they have survived.'

The stories are numerous. Fear is reflected in eyes and voices and echoed in the shots heard from the surrounding hills where the last groups of Serb fighters are hiding from Croatian special police search teams. The Croatian authorities claim that the safety of all Serbs who remain will be guaranteed. Whether this will be so, remains to be seen.

Zagreb Releases 600 Serbs From Slavonia
LD0905162595 Belgrade TANJUG in English
 1547 GMT 9 May 95

["Pool" item]

[FBIS Transcribed Text] Zagreb, May 9 (TANJUG)—About 600 out of the 1,474 Serb soldiers and civilians captured according to Croatian sources during Croatia's last week's aggression on Western Slavonia, have been released so far.

They will be amnestied, Croatian authorities said. Investigation is underway on 105 persons, suspected of committing crimes. Among the captured Serbs, whose number exceeded 1,700 according to Serb sources, there were boys under 15 and old men over 78. Another 800 captured Serbs are being held in Varazdin and Bjelovar, and the Pozega Center has been closed.

Serbs are being released after long interrogation, and the only documents they are given are International Red Cross cards. In the aggression launched on May 1 by Croatia on the Western Slavonia UNPA [UN Protection Area] region of the republic of Serb Krajina, over 1,000 Serb civilians were killed and 13,000 have sought refuge

in neighboring Bosnian Serb state, according to Serb sources.

RSK Wants Zagreb To Release Casualty Figures
LD0905185695 Belgrade TANJUG in English
1826 GMT 9 May 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, May 9 (TANJUG)—The republic of Serb Krajina Tuesday [9 May] urged several international organizations to, within their respective mandates, force Croatia to release exact figures on casualties of its aggression against Western Slavonia and to bring the bodies back to their families.

The Serb Krajina News agency ISKRA quoted the Serb Krajina government commission for exchange of prisoners of war as saying in its requests sent to the International Committee of the Red Cross (ICRC), the E.U. monitor mission, the U.N. High Commissioner for Refugees (UNHCR) and the United Nations, that no figures on the people killed had been available even eight days following the aggression.

The committee said that Croatia kept silent about the killed people despite the practice used so far of communicating such figures as soon as possible and that an agreement on bringing the bodies back to their families unconditionally and without previous burials had been observed over the past two years.

The committee said such conduct had increased its belief that there was a great number of civilian casualties, children, women and the elderly, who had been massacred. The committee illustrated its doubts with a number of facts including U.N. troops' testimonies to a massacre of civilians in a refugee line on the Okucani-Gradiska road.

The committee said there were also testimonies of refugees who had managed to flee to the Bosnian Serb republic. It said the fact was that Croatian authorities denied access to the Okucani-Gradiska road to representatives of international organizations. Croatian media is avoiding the issue of casualties, putting in the focus of attention Croatia's allegedly humane treatment of captured Serbs, the committee said.

It said it was symptomatic that none of the foreign delegations that Croatian authorities were bringing to Western Slavonia was taken to places where examination or burials of the killed were performed.

1,200 Soldiers in Buffer Zone Near Gospic
LD0905165295 Belgrade SRNA in Serbo-Croatian
1543 GMT 9 May 95

[Received via fax]

[FBIS Translated Excerpt] Knin, 9 May (SRNA)—The buffer zone between the Croatian Army and the Serb Krajina army in Lika could boil over any moment now if the Croatian forces do not end their siege of UN checkpoints in the area, Alun Roberts, UN spokesman in Sector South, said in Knin today. [passage omitted]

"According to UN reports, aside from soldiers from other operational zones, 1,200 Croatian soldiers of the Gospic operational zone are still in the buffer zone in Lika," Roberts said and added that according to Krajina military sources the number is much higher—about 3,000 soldiers.

Roberts also said that the Croatian Army is still holding its positions around 10 to 12 checkpoints of the UN's Jordanian battalion in the Medak pocket.

27 Croat Cases Headed for War Crimes Tribunal
LD0905134595 Hilversum Radio Netherlands
in English 1130 GMT 9 May 95

[FBIS Transcribed Text] In The Hague, the UN Tribunal for War Crimes in the former Yugoslavia has begun its first public hearings on atrocities committed by Bosnian Croats. The court had so far only investigated war crimes committed by the Bosnian Serbs. Chief Prosecutor Richard Goldstone has asked the judges to hear the cases of 27 Croats who are alleged to have been involved in attacks on Muslim civilians in central Bosnia.

The Bosnian authorities have said that they are prepared to drop their own investigations into their cases to allow the proceedings in The Hague to go ahead. The tribunal has so far indicted 22 Bosnian Serbs. Only one of them, Dusko Tadic, has appeared before the court. The others are believed to be in Serb-held territory in Bosnia-Herzegovina.

Serbs Deny Zagreb's Claim About MiG-21 Combat
AU0905203495 Knin Srpski Radio Krajina Network
in Serbo-Croatian 1900 GMT 8 May 95

[FBIS Translated Text] The statement of Brigadier General Ivan Tolj that the Croatian Air Force MiG-21 that was downed by the RSK [republic of Serb Krajina] Army Anti-air Defense in Bok Jankovac, near Gradiska, when the first pilot who fled to Croatia, Rudolf Perisin, died, caused dismay because of its hypocrisy. To claim that the plane bombed the Gradiska bridge to unblock

it for the passage of civilians who were trying to cross it is ridiculous and can only be an excuse for firing at a refugee convoy, which is a war crime according to international conventions.

The Croatian Air Force used five airplanes on five occasions to fire at military, but more often at civilian targets. The first attacks were carried out on 1 May 1995 at 1720 [1520 GMT] when they struck at the refugee convoy, then also at 2000 the same day. Subsequent attacks were carried out on 2 May 1995 at 0552, 0555, and 0603. During the last pass, Rudolf Perisin targeted the clearly marked Gradiska hospital, but missed and hit a house killing a 9-year-old boy and a 7-year-old girl of the Sojic family who had managed to get out of Okucani the night before. Another seven people were injured during the attack.

If the Croatian Air Force plane had not been downed, Brig. Gen. Tolj would probably never have admitted to Croatian Air Force activity above the Srpska republic, which is a no-fly zone.

Apart from those activities, the Croatian Army used artillery to inflict even more damage. However, all segments of Gradiska society are doing their best to return the town to normal and they are doing a great job.

Commentary Advocates Serb-Croatian Reconciliation

95BA0226A Split SLOBODNA DALMACIJA
in Serbo-Croatian 4 Apr 95 p 4

[Article by Danko Plevnik: "To Vukovar Through Gospic"]

[FBIS Translated Text] It is hard for many people to imagine the return of Croatian refugees to Vukovar. It will be easier for them if they begin to imagine the return of Serbian refugees to Gospic, where not even all Croatian politicians have the same welcome. Gospic is a metaphor for what Croatia wants but also can do in Vukovar.

Croatian foreign policy and diplomacy have demonstrated their value, and so all the problems go back again to the impotence of Croatian politics and its numerous elected petty politicians, because is that constant disavowal of one's own political starting points anything else but petty politics? If Croatia decided on peace and Europeanization, then much more radical steps should have been taken in public for the eradication of all the archaic and obsolete racism, chauvinism, and nationalism caused by this war, and for the creation of a climate of "national reconciliation," as the international political community is proposing with good intentions.

Otherwise, even Resolution 981 will be just one more piece of paper.

It is high time for a thorough examination of overall Croatian-Serbian relations, without postponing their examination again until some new resolution. Both sides should turn toward long-term consideration of their relationship, and not get carried away with short-term tactics of (self-) deception. They should start with the fact that the UN and all the internationally relevant factors recognize and accept two things: Croatia within its international borders, and the Serbian community as a separate entity within the framework of Croatia. Unfortunately, Croatia still has inexperienced, petty politicians who are inclined toward the prejudice that war is the only real solution and that the extermination of the Serbs is the only acceptable method of dialogue. Admittedly, there are very few such public voices, and they do not belong to the serious part of the Croatian body politic, but that angry stereotype is present in the political subconscious of many extremists as a sort of backup strategy as an appropriate response to the constant penetration of Greater-Serbianism and Pan-Serbianism.

Taking advantage of the favorable winds of the international political support for Serbia, some political brigands in the "Krajina" thought that they could dictate to Croatia the status of the Serbian people to the extent of destroying Croatian sovereignty, viewing the Z-4 plan as the S4 or 4S plan [four letter s's as slogan indicating unity of all Serbs]. What the majority of intelligent citizens think and want remains an unknown factor. It is the task of Croatian policy to familiarize them as rationally as possible, and not irrationally, with the advantages of reintegration, but also their optimum position in the Republic of Croatia. This moment in history should be taken advantage of, and we should wisely, not falsely, lay the foundations for the historical relationship between Croats and Serbs in Croatia. If one side or the other tries to exploit its advantages itself, the Croats—their international diplomatic concessions—and the Serbs—the situation in the field—we will not get far. The Croats are rejecting the Z-4 plan, fearing the loss of statehood in the occupied parts of Croatia, while the Serbs are rejecting the Croatian constitution and law on minorities, fearing collective eradication, because even the Serbs in the free parts of Croatia have not seem much benefit from that law yet. The room for a more realistic coordination of positions for the purpose of consideration of the relations between the Croatian state and the Serbian community lies between the Z-4 plan and the constitutional law on minorities.

The Serbs, in any case, have the right to fight politically for the best position possible, but their attempting to win by force solutions that will disrupt the historical balance in relations with the Croats really can be counterproductive. Milan Djukic, for instance, perceives the "Krajina" as a reality. The NDH [Independent State of Croatia, 1941-45] was also a reality, but that reality lasted for a short time. What does reality mean? Reality can be based on a fair compromise of national fates, but not on momentary domination of one national group by another. Insisting on the "Krajina" as a state within a state will not improve the status of the Serbs in the free areas of Croatia, but instead, of course, will be a constant epicenter of anti-Serbism and provocations of a desire for some apocalyptic finale. Under some draconic international pressures, the Croats may even recognize that pathological parastatal entity, but they will yearn to destroy it as soon as a historical opportunity offers itself again. It will be an eternal "ceterum censeo" [refrain used by Cato about Carthage] of Croatian politics.

Peace as Euthanasia

The axiomatic nature of Croatian-Serbian relations should thus not rest on anti-Serbianism and anti-Croatianism, but rather on a negotiated examination of all valid options for lasting and sincere coexistence, because that coexistence is our geostrategic fate, and not an ideological consequence or voluntaristic accident. The weight of demands from the Croats and from the Serbs must become balanced once and for all. Anyone who leans only toward his own side risks not only a repetition, but also an endless extension of the evil that has encompassed Croatian-Serbian relations. The Serbs should by no means give in to temptation and believe that the Croatian anthropology of "making sensible concessions" will proceed as it has, leaving Zemun to Serbia and Boka to Montenegro. Croatia cannot give up the occupied areas without giving up its own integrity and the focus of its survival. It can no longer give way geographically because it would cease to breathe. If that is not realized in the "Krajina" or in Serbia, then they have to prepare for 100-year wars, because Croatia will never accept peace as euthanasia or a Pax Serbica. On the other hand, Croatia must become more sincere both toward itself and toward the Serbs. Once and for all, it must psychologically end the war with the Serbs and introduce a civil vocabulary into political life, without stirring up the warlike welcome of the so-called Dopudja [meaning unknown] on Croatian TV and projecting a policy of hostility. The international community will never allow the Serbs in Croatia to be treated like third-class citizens, contrary to the constitutional paper; instead they should be treated as equal citizens. If this political regime today, both in

the government and in the opposition, is not capable of understanding that, much less carrying it out, then it is necessary to propose new elections for both the government and the opposition, because they are proving themselves unworthy of the principles and the spirit of the times. Why? Because the vast majority of them are not capable of mentally accepting any Serbdom except their own anti-Serbdom, and it is impossible to base any dialogue with the Serbs with far-reaching premises on that. That is why Milan Djukic is politically completely right in demanding an open parliamentary discussion of Croatian-Serbian relations, but at the same time, he is naive in demanding it from deputies who are known to be incapable of thinking in any other way except in insulting supremacist categories.

Mandate for Reconciliation

If "politics until today has been a synonym for amorality," as Eugen Dido Kvaternik claimed, a man whom we can trust to know what he was talking about, matters between the Croats and Serbs will hardly be settled only and exclusively by politics. It is hard for many people to imagine the Croatian refugees' return to Vukovar. It will be easier for them if they begin to imagine the return of Serbian refugees to Gospic, where not even all Croatian politicians get the same welcome. Gospic is a metaphor for what Croatia wants, but also can do in Vukovar. In order for reconciliation to take place, we should not give in now to chauvinistic ideas: "We did not 'cleanse' Gospic of the Serbs in order to accept them back now," or "They left voluntarily, but the Croats were driven out," because such un-Christian stories are not worthy of European Croatia, nor can they outline the paths for a historic reconciliation of Serbs and Croats. One gets to Vukovar through Gospic; anyone who does not understand this should not engage in politics.

Since political psychology and "state" rhetoric are still in the hands of rural shysters and coffeehouse strategists, things can hardly be moved forward with that kind of policy. The refugees themselves, who, regardless of how difficult and how justifiable their resentment is for them, will see themselves in Serbian refugees, churches and various religious organizations, humanitarian and peace associations; all those who have not achieved an enormous financial and social position with the aid of politics and through politics—they have to gain a bigger and more decisive role. If it is true that the politicians have set the peoples and citizens at odds, is it moral even to give them an exclusive mandate for reconciliation? The Croats and Serbs were not antagonistic peoples for more than 12 centuries.

Greguric Leaving INA, Remaining in HDZ
95BA0220G Zagreb VJESNIK in Serbo-Croatian
4 Apr 95 p 5

[Article by Aleksa Crnjakovic: "I Am Leaving INA but Staying in the HDZ"]

[FBIS Translated Text] Zagreb—At the beginning of May, Dr. Franjo Greguric, up to now director of INA, is leaving his post and devoting himself entirely to work as a professional deputy in the parliament. This businessman and prime minister in the most difficult period of the Croatian state, vice president of the incumbent party, and a parliamentary deputy, has also announced his departure (on 1 May) from the Board of Directors of Privredna Banka.

Rejecting any thought about this being a political removal or resignation against his will, Dr. Greguric explained in the press conference the motives which guided him in making this decision, and they should be sought above all in the fact that the immense job of drafting INA's restructuring program has been completed, and new people must take up the new phase. Dr. Franjo Greguric was trying with his public statement to put an end to all the guessing about his removal and departure for Moscow.

In the presence of numerous journalists and the management of INA (they included Andrija Kojakovic, deputy chief director, Ivan Djerek, assistant, Mijo Ivurek, director of public relations, and Hloverka Novak Srzic, adviser to the general director for information), he attempted to explain what beginning of restructuring of this state-owned giant means for INA and for Croatia. It is clear that the journalists were nevertheless interested in changes in the top leadership.

Although Dr. Franjo Greguric did not deny that his departure has a certain political dimension, it still should not be overemphasized or exaggerated. He issued a message to his fellow party members and the opposition that they should not count on his removal from the post of vice president of the HDZ [Croatian Democratic Union], or on his departure from a party whose program he will continue to support.

Greguric Is Not Leaving for Moscow

Recognizing the right of those who have criticized him for having frequently neglected his work in the parliament because of his duties as a director, Dr. Greguric told his colleagues in the House of Representatives that as a professional he would devote himself entirely to work in the parliament, without taking anyone's place in the parliamentary hierarchy.

The director of INA denied the rumors that he was leaving for Moscow, because, he said, he is not interested in any ambassadorship or any other post abroad. In addition, he has never talked to Dr. Tudjman, the president of the state, or with any other state official about that. He wants to remain in Croatia, working for its welfare.

Dr. Greguric also rejected insinuations that he is establishing some new party or that he will move to one of the existing ones. Incidentally, he said, "I was elected vice president in the Second Convention of the HDZ, and I will continue to fight for the democratization of Croatia. In addition, in little Croatia there are too many parties in the small political space, and so there is no need to establish new ones." Dr. Franjo Greguric will also continue to be the president's chief adviser on the economy, and he will perform that job, as he has up to now, on a voluntary basis. He will also hold the office of president of the Croatian Firefighters Federation on a volunteer basis.

Too Rapid Restructuring

From everything he said about the process of INA's restructuring in his initial statement and later in answer to the questions of journalists, one suspects that there was nevertheless a certain difference on these issues between what the INA management offered and what the government headed by Prime Minister Valentic is doing. Although on several occasions he particularly emphasized that he is a strong advocate of the stabilization program, he nevertheless emphasized the basic objections.

"I have always been mild in my criticism of economic policy, not only because this is a team that is close to me, but also because this is an HDZ government. I nevertheless have objected to the speed with which restructuring has been undertaken. In my judgment, that big project can be undertaken only when new programs are drawn up to absorb the surplus manpower. That requires money so that they do not become a burden to the already burdened social welfare program," Greguric said.

He wondered to what extent the Croatian state must be obedient to financial international institutions. There is a need to think above all about our own interests, so that we do not take the economy to the point of complete collapse. Just as Croatia created its own state under extremely unfavorable circumstances, Greguric feels that even now it can succeed in creating a strong economy by relying on itself. In this connection, he nevertheless mentioned the agreement with the Paris Club as a step forward.

Perhaps the greatest objection that can be made to all this is the value of the kuna. It is important, Dr. Greguric said, to judge to what extent the policy of the real exchange rate of the currency should be adapted to bring it in line with the actual condition of the Croatian economy. That is, the economy must not be smothered. Many neighboring tourist countries have devalued their currency, which will attract nomadic tourists to them, and this will be felt not only by INA, but also by the Croatian state.

INA Is Exhausted

It is important that INA will turn mainly to the production and refining of petroleum and gas, somewhat less to tourism, and all the other activities will have to be cast aside. Offering a little cross section of everything that INA has done during and after the war, Greguric mentioned that INA is now exhausted. INA ended last year in the black, but with no large earnings, mainly because it had to cover the large losses of its joint-stock companies.

INA has been headed up to now by a general director who managed business operation and represented the firm. The INA management considers that a good solution, but there are also advocates of management by committee.

Although the journalists quite openly mentioned the names of individuals as possible candidates, Dr. Greguric said that he did not know their names, nor is that his decision, but if he is asked, he will express his opinion. He remains, in any case, a member of the oversight committee. The members of the board of directors will be meeting on 11 April and the next day the assembly will elect the members of the oversight committee, which will in turn appoint the management. Dr. Gre-

guric acknowledged that there are differences in view concerning the membership of the oversight committee.

In responding to the questions of the journalists, Dr. Greguric emphasized once again that he remains a friend of Valentic and Vedris, so long as he shares with them similar views of life and the economy, regardless of possible political differences. The HDZ has sufficiently broad bylaws to accommodate difference, so that there may be political battles within them, but if someone does not accept those bylaws, he can also join another party, Greguric concluded.

[Box, p 5]

Boban Behaved Correctly

Asked to explain the position of Mate Boban in INA, Dr. Greguric explained that Dr. Franjo Tudjman would not have appointed Boban to INA if he had not agreed with him personally. Mate Boban, Greguric continued, has always behaved correctly. "It is not up to me," Greguric said, "to judge whether he might have done more."

[Box, p 5]

Professional Competence Is the Most Important Qualification

Speaking about how party membership has never been the decisive criterion in conducting personnel policy in INA, but professional competence, Greguric said: "We in the HDZ are not the only ones responsible for Croatia's security and future, but that is the responsibility of all citizens of Croatia, including those in the opposition." Greguric remains a member of the central current in the HDZ and an advocate of its fundamental principles.

Oleksy's Moscow Trip Provokes Controversy**Oleksy Justifies Trip**

WS1005114595 Warsaw GAZETA WYBORCZA
in Polish 6-8 May 95 pp 10, 12

[Interview with Prime Minister Jozef Oleksy by Joanna Szczesna and Adam Michnik; place and date not given: "Why I Am Going to Moscow"]

[FBIS Translated Excerpt] [Passage omitted] [GAZETA WYBORCZA] This suspicion [refers to anyone who was a Communist Party member as being a communist at heart] is rather interesting due to the fact that the Soviet Union [SU] does not exist any longer, and Moscow is not governed by communists any more.

[Oleksy] It is accepted as a sure thing that if a people had to deal with the ideology of that period, they certainly consider Russia to be the successor of the SU, and regardless of the passage of time and of political and economic transformations they will always support that ideology. This accusation is quite nonsensical, as is the charge that the left cannot wait to restore socialism and reconstruct the Polish People's Republic [PRL].

There is no SU, there is no communism, and there is no communist ideology. Neither here nor there. Therefore, such an accusation, an attempt to create the impression that there is a deeper ideological undertone there is an act that would not even be worth commenting on if it were not related to other things... [passage omitted]

It is true that I made a sort of blunder. In the interview for NYEZAVISIMAYA GAZETA, which I gave right after assuming office, that is, at a time when the topic of the commemoration did not even exist yet, the journalist asked me what I would do if I got an invitation to the commemoration of ending World War II in Moscow. I replied that I would gladly accept such an invitation.

At that time it contained no reference to any specific issues or to the president's policy regarding commemoration of this anniversary. Incidentally, it is a shame that there was no meeting with the president. We would have jointly decided what should be done regarding this anniversary. This is the most serious charge I have leveled at the president: that he became aggressive toward me because I had accepted the invitation to Moscow. However, before that he had not held a meeting where all these issues could have been discussed; who would be sent and where, what is in the Polish interests. This proves lack of coordination and shows cooperation on foreign policy issues in a bad light.

This interview appeared a month after it was conducted, when the dispute was already under way. Then I heard insinuations that the prime minister was going to

extraordinary lengths to get the invitation, etc. It finally looked like Russia was trying to strain relations between the Polish prime minister and the president. This is how some journalists interpreted it.

Another slip of the tongue that I made was the statement about the "joy on Victory Day." Unfortunately, I did not say clearly enough that what I meant was only the Victory Day. The issue was about this one day. [passage omitted]

[GAZETA WYBORCZA] Mr. Prime Minister, how do you evaluate Russia's policy toward Poland today? Some people say that today we are witnessing a rebirth of imperial and expansionist tendencies, which was allegedly proved by the advertising of the incident at the Eastern Railway Station in Warsaw. Others argue that this incident, which also affected Polish-Russian relations, has its internal Russian context. Still others believe that both theories are true. What do you think?

[Oleksy] Polish-Russian relations are burdened with a past, on both sides, and they defy simple description. History has given rise to fears, suspicions, hostility. There are many grudges, complaints, painful wounds accumulated not only in the postwar period or directly before the war. However, neither a feeling of guilt nor a feeling of insufficient satisfaction should be expressed through aggression. [passage omitted]

Reactions of part of the Polish right wing are instinctively anti-Russian; those people are even able to provide historical arguments to justify their behavior. However, how does this affect the future, relations in the new Europe, our prospects, and dialogue? Those people do not continue their reasoning along these lines: It is not enough to say that emotional reactions are historically justified—one has to see whether these reactions shut the door to Polish-Russian relations, whether they shut them entirely or just partially. Can one have a realistic concept of Europe and the world if one has such an attitude toward Russia?

Finally, there is the question of whether in all this complex area of our mutual relations the Russians are supposed to guess what our intentions are, or are we able to tell them ourselves. In the meantime, there is no dialogue between us—of course, I am not talking about official, diplomatic relations, but talks on the level of elites, circles, etc. I really deplore the fact that we are not making any efforts to maintain contacts with the Russian people, that today no one in Poland recognizes the importance of these contacts...

[GAZETA WYBORCZA] I believe that you are exaggerating...

[Oleksy] Why, how many people are there in Poland such as Drawicz or Michnik? It is difficult to speak about understanding between states and about a will to cooperate unless people reach an agreement among themselves. Let me reiterate that there is no Europe without Russia; incidentally, I often hear such a view expressed in the West: It is impossible to build the future and collective security in Europe, and to try to isolate Russia at the same time, by treating it as an enemy.

I have never been an enthusiast of Marxist works, and my activities in the Polish United Workers' Party did not result from ideological motives. I was not an avid reader of Marx, Engels, and Lenin.

I believe that it is going to be a real test, a challenge for us: Whether Poland, while determinedly pursuing its Euro-Atlantic policies, will be able to develop good-neighborly relations with Russia. Incidentally, I believe that we should make fewer declarations on this subject, and make more preparations and adjustments necessary to achieve real partnership with the West.

As for Russia, it is distrustful and suspicious both toward us and toward the West. It also feels the burden of its historical sins; it has not denied all responsibility for the SU.

Thus, it is going to be important for our relations with Russia whether we will be able to put ourselves in their situation and avoid Poland-centrism; whether we will be able to speak to them without a feeling of superiority and without continually showing the account of historical sins that have not been dealt with. Politicians should be capable of doing this. However, I cannot see such abilities.

I must also add that if a person perceives Russia as a country with imperial tendencies, they will seek more and more arguments to corroborate their thesis. Of course, it must be said that Russia is suffering as a result of losing its empire. It is not at all certain, however, whether the only possible road is to brutally rebuild the empire. Despite that, such a thesis has been accepted as obvious in Poland.

Of course, it will be easy for us to specify our position in relations with Russia if it is a democratic state and if democratic standards will be common. Then, even when we discuss differences, we will emphasize that we are linked by democratic values. Also, the statement that Russia is in Europe, that it is needed there, and that it cannot be isolated, will only be natural.

However, what should be done if the situation in Russia evolved toward tyranny, despotism, autocracy, the rule of military complexes? What should be done if democratic principles are violated and if the people

are oppressed again? Then, perhaps, those who argue that a barrier should be placed between us and Russia will prove closer to the truth, even though Russia will not cease to be our neighbor. However, one must also be prepared for such a contingency; one must have an idea of how the coexistence should develop in such conditions. [passage omitted]

[GAZETA WYBORCZA] Włodzimierz Cimoszewicz has said on a few occasions recently that the Democratic Left Alliance [SLD] should not field its own candidate for president, but endorse a candidate "above divisions." What do you think about this idea?

[Oleksy] I believe that it would be quite reasonable if, for example, several parties, both post-PRL and post-Solidarity—more specifically, four groupings might come into play—decided that they would field one candidate. This candidate would not be leftist, nor would he evidently represent another camp. It would have to be a candidate that would unify us in our joint march toward the future. [passage omitted]

However, Cimoszewicz's reasoning is quite correct; he is looking farther than merely one term in office, one victorious campaign. However, today things have gone too far, and the SLD will field its own candidate. Incidentally, it ought to do so. Nonetheless, something like that may be possible in the runoff elections.

Trip Seen Violating Constitution

LD1005112595 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 10 May 95

[FBIS Translated Text] Tomasz Kwiatkowski, deputy head of the Presidential Chancellery has let it be known that an initial motion is ready for bringing Prime Minister Jozef Oleksy to constitutional responsibility before the State Tribunal. In an interview for the Zakopane Radio Aleks, Kwiatkowski said that the reason for the motion was a trip to Moscow by the prime minister to take part in the ceremonies marking the end of World War II without the president's consent. This, according to Kwiatkowski, is a violation of the small constitution.

[Begin Kwiatkowski recording] We see the evident violation of Article 28, Paragraph 8 and Article 32, Paragraph 1 of the constitutional law of 17 October 1992, the so-called small constitution.

It has been the president's duty to guard the rules of the Constitution and the dignity of the nation. The president swore to execute this duty. He performs the general supervision in the sphere of foreign relations. He is the highest representative of the Polish state in international relations. These are the clauses of the Constitution I

mentioned earlier. Hence the institution of the president of the Polish Republic is not a political ornament, but represents a real power, including foreign relations.

In my view, and in the view of lawyers I cooperate with, a trip by the chairman of the Council of Ministers to a capital of a foreign country against the president's will—in this situation to celebrate Victory Day in Russia—means a drastic violation of the constitutional rules. [end recording]

Poll: Majority Support Trip

WS0805103695 Warsaw RZECZPOSPOLITA
in Polish 6-8 May 95 p 2

[Article by K.Gr.: "PBS for RZECZPOSPOLITA; Prime Minister Oleksy Should Go to Moscow"]

[FBIS Translated Excerpt] Slightly more than half of the Poles believe that Prime Minister Oleksy is right in going to Moscow to take part in the commemoration of the anniversary of the end of World War II. The quarrel between the president and the prime minister did not affect the opinion of most respondents.

As many as 63 percent of Poles believe that from the point of view of Polish interests it would be good if the prime minister or the president took part in the Moscow ceremonies. Even more respondents—68 percent—believe that Poland should send a representative of its highest authorities to Berlin as well.

According to 51 percent of respondents, the prime minister did the right thing when he decided to accept the invitation to the Moscow ceremonies, even though the president refused to accept it. A different opinion was expressed by 32 percent of the respondents. The oldest Poles, i.e. those who may remember the war, relatively frequently (every fourth) replied "hard to tell." Those who strongly object to the prime minister's visiting Moscow include most supporters of rightist parties and of the Non-Party Bloc in Support of Reforms. Supporters of the coalition parties and of the Union of Labor endorse the prime minister's decision. Sympathizers of "Solidarity" are divided, and in the Freedom Union those who support Oleksy's decision are slightly more numerous than people who object to it. [passage omitted]

The Sopot-based Social Research Laboratory conducted the poll on 22 and 23 April on a representative 1,050-person sample of adult inhabitants of Poland.

Should Prime Minister Oleksy have accepted the invitation after the president decided not to take part in the ceremonies in Moscow?

	Percent
Yes	51
No	32
Hard to tell	17

Walesa Promotes Nine Officers to Generals

WS0905132495 Warsaw ZYCIE WARSZAWY
in Polish 9 May 95 p 3

[Article by Luiza Kowalska: "Walesa Wants Generals; President Promoted Nine Officers"]

[FBIS Translated Excerpt] The information which we published earlier has been confirmed: Yesterday at 1300 in the Ball Room of his palace the president promoted two participants of the Drawsko dinner and seven other officers of the Polish Armed Forces. The occasion was the 50th anniversary of the ending of World War II.

The ceremonies, which this year were kept secret until the very last moment, attracted many VIP's to the presidential palace. The ceremony was observed by satisfied National Defense Minister Zbigniew Okonski; Chief of General Staff Tadeusz Wilecki, who also looked satisfied; Marek Toczec, commander of the Vistula Military Units of the Internal Affairs Ministry, Field Bishop Slawoj Leszek Glodz, representatives of the parliament, and Prime Minister Jozef Oleksy. The latter did not look very satisfied.

"These nominations show our appreciation of your knowledge and experience, talents and skills, and your organizational skills proven at various levels of command," Lech Walesa said. A moment before that he handed acts of nomination to the first general rank to the following persons: Jerzy Gil, his personal physician; head of Military Information Services Konstanty Malejczyk; Jozef Buczynski, newly appointed head of the Cadre Department in the National Defense Ministry [MON]; Marian Oleksiak, new head of the Cadre Administration of the General Staff; Andrzej Ameljanczyk, vice president of the Military Technical Academy; and Michal Krauze, vice president of the National Defense Academy in Rembertow.

Henryk Pietrzak, chief of staff of the Air Force and Air Defense, was promoted to major general. Promoted were also two of the 10 participants of the dinner at the Drawsko training field who last September expressed disapproval for the civilian leadership of MON. They were: Navy Commander Romuald Waga, who was

promoted to admiral on 8 May, and Edmund Bolociuch, first deputy of the chief of Staff, who was promoted to lieutenant general.

Both received a rank that is practically the highest military rank, equal to that held by Tadeusz Wilecki (only the rank of the marshal of Poland is higher). However, according to our information, this was possible only because both Waga and Bolociuch will soon retire. Then the chief of the general staff will again be the only officer holding the highest military rank.

The president also distinguished war veterans. [passage omitted]

Walesa Treats Defense Ministry as 'Own Party'

LD0905201195 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 9 May 95

[FBIS Translated Text] Deputy Defense Minister Danuta Waniek has accused President Lech Walesa of treating the Defense Ministry as if it were his own political party. During a news conference today in Bydgoszcz, Deputy Minister Waniek stressed that politicians from the Democratic Left Alliance feel the activities of the president to not always be in accordance with the Constitution.

[Begin Waniek recording] Practice has gone much further than the Constitution allows. It is undoubtedly the case that politicians are giving way to the president in this respect, in order to hold back the manifestation—or the tendency toward the manifestation—of new political conflicts. Some accuse Prime Minister Oleksy—and I am surprised to say that I have heard that this is being done precisely by former Prime Minister Pawlak—of giving way to the president to too great an extent. I would say that, in this situation, especially as there is an election campaign in progress, there are no good solutions available to this government. [end recording]

Arms Industry Affected by Series of Strikes

LD0905145595 Warsaw PAP in Polish
1410 GMT 9 May 95

[FBIS Translated Text] Warsaw, 9 May—Andrzej Piszczczyk, deputy chairman of the Solidarity Radom Region, has told a PAP journalist that a series of strikes affecting the arms industry began this morning at arms industry factory "Pronit" at Pionki. The entire morning shift, or about 1,000 people took part.

Talks are expected to begin in Warsaw tomorrow between the Solidarity arms industry section and representatives of the Ministry of Industry on unionists' demands, concerning—among others—debt elimination,

payment of outstanding arrears, and government tenders.

Poll Shows Majority Support NBP's Actions

WS0805122795 Warsaw NOWA EUROPA in Polish
8 May 95 p 1

[Article by Mariusz Ignatowicz: "CBOS Poll; NBP's Arguments Were More Solid"]

[FBIS Translated Text] According to 41 percent of the respondents to an opinion poll conducted by the Center for Research on Public Opinion, in a recent dispute between the president of the central bank and the finance minister, the arguments of the National Bank of Poland [NBP] were more solid. An opposite view was expressed by 19 percent of the respondents. At the same time every third respondent said that one of the functions of NBP is fixing the rates of shares at the stock exchange; more than half of the respondents (60 percent) believe that NBP tasks include providing loans to natural persons and issuing treasury bonds.

The research indicates that Poles are not very familiar with the financial institutions of a market economy. The NBP is most often associated with money issuance (80 percent), and control and supervision over other banks (74 percent). The respondents had more difficulty trying to specify the influence which the NBP exerts on the functioning of other banks. It is not obvious to everyone that after being transformed into a central bank, the NBP ceased all commercial activity.

Many respondents identified the central bank with Hanna Gronkiewicz-Waltz: In many answers they used the feminine gender when they were talking about the NBP. One third of the respondents did not know what the name of the bank's president is or gave an incorrect name. The NBP decisions that the respondents remembered best was the raising of interest rates (41 percent) and the denomination of the zloty (31 percent).

Is the activity of the NBP favorable to the economy?

	Percent
Yes	66
No	13
Hard to tell	21

ZChN's Jurek Expected To Head Radio, TV
WS1005103995 Warsaw ZYCIE WARSZAWY
in Polish 10 May 95 p 1

[Article by Igor Zalewski and "RAS": "Jurek in Place of Zaorski; ZChN Vice President Marek Jurek Will Head the KRRiTV"]

[FBIS Translated Text] President Lech Walesa will probably sign Marek Jurek's nomination [as head of the National Radio and Television Council—KRRiTV] today. Other members of the Christian-National Union [ZChN] will be appointed to high offices in the president's Chancellery.

The president repeatedly offered Jurek the post of head of KRRiTV during a recent meeting between ZChN leaders and the head of state. Because top party officials did not refuse the offer, Jurek decided to accept it several days later, as ZYCIE WARSZAWY found out.

ZChN President Ryszard Czarnecki told ZYCIE WARSZAWY that Jurek's candidacy has already been approved by the party leadership. Jurek himself has refused to speak about his nomination until it is officially announced.

Jurek will replace Janusz Zaorski, whose term in office expired three weeks ago. The president hesitated for a long time as to whether he would keep him on the KRRiTV. Finally, despite the fact that he personally likes Zaorski very much, he let some of his associates convince him that the current KRRiTV head does not represent his interests well enough.

The deputy president of ZChN was once considered a staunch critic of Lech Walesa's presidency. During the last meeting he did not hide his reservations towards some moves made by the head of the state. Walesa nevertheless upheld his offer.

New nominations and promotions of people affiliated with ZChN are expected in the president's circle. Tomasz Kwiatkowski, who took over from Lech Falandysz as legal aide in the president's Chancellery, is to replace Janusz Ziolkowski as head of that office. Henryk Klata, member of the ZChN Chief Council and the leader of the "national" wing of that party, is to be promoted to the rank of minister in the Chancellery. The ZChN's Jerzy Goral, minister of culture in Suchocka's government (currently in the supervisory council of Polish Television SA), is also to be employed by the Chancellery.

In May, ZChN is to make the final decision as to whom it will support in the presidential elections. Two candidacies will be considered: Lech Walesa and Adam Strzembosz.

Czarnecki "categorically denies" that Jurek's nomination is part of a political contract signed with the president. "We treat the president's decision as an expression of his respect for our contribution to the development of the radio and television bill and in shaping a new information order."

SLD Leader Opposes Shorter Presidential Term
LD0905222595 Warsaw Third Program Radio
Network in Polish 2100 GMT 9 May 95

[FBIS Translated Text] The leader of the Democratic Left Alliance [SLD], a guest of the Polish Radio Third Program, has said that the president has insulted the parliamentary majority and that his address contained intended provocations.

[Begin Aleksander Kwasniewski recording] The president is doing everything in order to both be completely isolated in Polish politics and ever more isolated in foreign policy. The president offended the parliamentary majority yesterday, the whole of parliament as an institution. He was shouting at the Russians, the Americans, the English, and the Germans. I think that Walesa is well on the road to the implementation of a kind of policy that could, in short, be termed: Last one to leave turn out the lights.

I am against shortening the term of office, and I feel that one of the components of democracy is a stable political calendar. The term of office lasts for five years. The presidential elections ought to take place within the normal time period—that is, somewhere between 22 October and 22 December. [end recording]

EBRD-Sponsored Aid for Midsize Firms Viewed
95EP0089B Warsaw GAZETA BANKOWA in Polish
26 Mar 95 No 13, p 30

[Article by Urszula Piechota: "Stabilization-Restructuring-Privatization. Pushing Off From the Bottom"]

[FBIS Translated Text] In the process of Polish transformations, assistance was not forthcoming for medium-size companies which, while not showing profits, had prospects for "pushing off from the bottom" or even being successful. The SRP [Stabilization-Restructuring-Privatization] program developed jointly by the Ministry of Ownership Transformations and the EBRD [European Bank for Reconstruction and Development] was established for the benefit of such companies.

The SRP Framework Agreement was signed on 22 November 1994. It outlines only the general principles of eligibility for companies, funding and management

of investment partnerships, and a plan for program implementation.

The program is geared toward state enterprises and single-person partnerships of the State Treasury. Before being admitted to the relevant section of the program, state enterprises may be converted to commercial operations in order to clear up the legal situation. This means that they will operate in keeping with the commercial code rather than on the basis of the law on state enterprises, as they have to date.

As the name suggests, the program consists of three stages. Financial stabilization is the first one. Reduced debts will be paid back with EBRD-supplied funds at the preliminary stage. As far as the banks are concerned, this will mean the resolution of the issue of so-called bad debts incurred by companies admitted to the program. The next stage will involve improving the financial standing of enterprises through their additional capitalization.

These measures are supposed to make possible the second stage of the program—restructuring. The cure is supposed to be based on reorganization, streamlined management, and adaptation of the company to conditions prevailing in the market.

Capital-based privatization will be the crowning stage of the program. The SI's (investment partnerships) formed by the EBRD jointly with Polish banks in order to implement the program will put up for sale companies with a considerably greater value as a result of implementing the earlier stages of the program.

The State Treasury and/or the Industrial Development Agency may join the SRP. Shares, interest in, or the assets of restructured enterprises will be disposed of within five years of the day they are contributed to SI's.

The SI's may opt for the legal format of their choice. The interested parties will determine in the course of individual negotiations whether this is to be a limited liability company, a corporation, or a limited partnership. The issue of enterprise management will be resolved along the same lines. It may, for example, assume the form of a management contract.

The current pilot edition of the program calls for participation by 20 to 40 enterprises which must meet certain conditions. At a minimum, the annual sales of the company should reach 11.5 million new zlotys (\$5 million). The upper limit has not been established. The enterprise must carry out or agree to financial restructuring; it cannot participate in another government-sponsored restructuring or privatization program. The ability of the enterprise to generate proceeds from economic opera-

tions and to turn a profit in the future is also a necessary prerequisite for the company's eligibility for the program. In addition to these requirements, the SI's may make other, more specific demands.

Enterprises join the program more eagerly than banks. Companies see the program as an opportunity to develop and secure a better position on the market. For their part, the banks are still afraid of investment operations. So far, only two banks have joined the program (the Deposit and Credit Bank Corporation in Lublin and the Universal Credit Bank Corporation in Warsaw).

If the pilot program works out the SRP will be extended in the future to other enterprises and banks. There will certainly be no dearth of those willing by then.

Krzysztof Czerkas, director of the Department of Restructuring at the Universal Credit Bank Corporation in Warsaw:

"Considerations in favor of joining the Stabilization-Restructuring-Privatization program are many. If negotiations with the EBRD work out we will be able to help weak enterprises and give them an opportunity to develop. Of course, the SRP is a commercial venture, and we expect to make a profit from it.

"We will try to draw into the program companies with which we have engaged in amicable [debt] reduction proceedings. The SRP offers us a greater guarantee of the repayment of the rest of the debt. We also count on profits from the sale of restructured enterprises whose market value will increase considerably.

"I hope that the SRP will give an impetus to the awakening of Polish investment banking."

Danuta Bednarczyk, chairman of the board of Polmozbyt Krakow Corporation:

"We signed up for the SRP program because we need funds, among other things, to carry out new investment projects due to which we will be able to extend the scope of enterprise operations. Additional capitalization will make it possible for us to engage in joint ventures with foreign companies.

"We also count on an opportunity, afforded by our participation in the SRP, to take part in training sessions offered by outstanding professionals and to engage in cooperation with renowned consulting companies.

"We consider the assumptions of the program to be proper and favorable, but we are apprehensive about carrying it out. We are mainly apprehensive about it not conforming to the assumptions.

"To us, the pace of program implementation to date is, among other things, proof of its weakness."

Waldemar Furmanczyk, specialist of the Department of Capital Investment at the PKO-BP [General Savings Bank—National Bank]:

"The PKO BP is interested in the SRP program, and yet we have not announced our joining it. At present, the bank is carrying out a preliminary survey of interested enterprises and studying the Framework Agreement.

"The Framework Agreement offers very good protection to the interests of the EBRD through a system of guarantees by the State Treasury. Unfortunately, the agreement does not accomplish this with regard to Polish banks which fully incur the risk.

"We would like to approach the program in strictly investment-oriented categories. If we sign up for the program we should win rather than lose.

"The enterprises we have a preference for include companies with a great development potential which are currently facing a financial crisis caused by their inability to pay investment credit received in the early 1990's or lacking 'development capital.'"

State Farm Restructuring in 'Difficult' Stage

95EP0089A Warsaw GAZETA BANKOWA in Polish
12 Mar 95 No 11, p 32

[Article by Alicja Kolodko under the rubric "Agricultural and Foodstuffs Markets": "What Next With the State Farms? The Real Problems Are Just Beginning"]

[FBIS Translated Text] *The first stage of restructuring state farms may be considered completed. The AWR [Agricultural Property Agency] of the State Treasury has taken over almost all the assets of 1,639 establishments. The completion of work at this stage ushers in a considerably more difficult period because the issues come up of how to privatize the assets that are left and how to manage those for which finding a private buyer is not likely at present.*

The outlook for finding new owners could be more encouraging if it were not for debts which drag down virtually all farms. In total, the debt exceeds 20 trillion old zlotys; its repayment is hardly realistic, first, because proceeds from the property under the agency's management are too small and, second, the best assets, primarily land, have already been sold.

Some 1,790 farms of the State Treasury were formed out of the legally liquidated state farms. As of the end of January, 681 farms were liquidated through leasing, sale, or transfer. Some 1,109 units remain which are mostly managed by temporary managers and administrators. These farms have about 1.8 million

hectares of land, or more than 40 percent of what state farms previously had.

In addition to the assets of state farms, the agency was responsible for also taking over the land of the former PFZ [State Land Fund]—about 800,000 hectares. So far, 450,000 hectares have been transferred to reserves. The remaining hectares are so fragmented and their legal status is so confused that the outlays which should be incurred to take these lands over considerably exceed their value.

Changes En Route

The operation of the agency in the first two years of its existence was not restricted to just taking over assets. One-half of more than 4.3 million hectares in possession of the state farms and the PFZ changed hands. More than 2 million hectares were leased, and 130,000 hectares were sold. It would be far better to have the ratio reversed. However, few people have funds needed to buy a large farm, except for institutional investors such as Rolimpex and Polcoop which vigorously participate in privatizing state farms.

For this reason, leasing is also easier now. It would be very favorable if all contracts of this kind ended in the future with buyouts from the inventory of the agency. It is hard to ascertain whether leasing will indeed become a transitional form to ownership changes. At present, some of the land reverts to the agency upon the expiration of contracts.

Needless Fears

As soon as changes began, fears that foreigners would begin to buy up Polish land surfaced at the state farms. To date foreigners have displayed no special interest in such transactions. As data from the Ministry of Internal Affairs suggest, last year, despite a greater number of permits granted, 1,518 hectares were purchased whereas in 1993—2,008 hectares. The greatest number of permits (a total of 357) were received by German citizens and companies. Austrians, citizens of the former USSR, and Swedes rank second among natural persons. Low land prices in Poland are the most encouraging feature for foreigners, but other troubles effectively scare away potential buyers.

New About the Stairs

Debts, the small proceeds of the agency, and the absence of prospects for the sale of the assets taken over bring about a situation in which all of the aforementioned problems will only now make their presence known. It is unknown what to do next with the State Treasury farms and the people who used to work there. Apart

from people, there are also apartments. Out of 326,000 apartments taken over, about 124,000 have been bought out for 35 percent of their market value (inasmuch as under the circumstances there is such a thing as market value at all). The remaining apartments together with tenants are "on the balance sheet."

Jan Wojcik, the press spokesman of the AWR SP, said: "So-called amicable bank adjustment proceedings are the only solution. However, creditors do not opt for this solution because they expect debts to be retired in full. Meanwhile, time goes on and farms are being consistently run down."

There is also another aspect to the process of changes on former state farms. To this day, it is actually unclear whether we want production on state farms to be restored, albeit on a healthy financial basis, or whether we have resolved to give up a proportion of such production. The latter approach would mean segregation into farms which can hope to go on operating and those which cannot have such hopes. Crude as this sounds, this particular problem is likely to be the focus of sharp debate while the still growing debt of State Treasury farms will make it impossible for the agency itself to operate.

COE Delegation Sees 'Lack of Democracy'

*AU0905185695 Bucharest AZI in Romanian
5 May 95 p 5*

[Article by Anamaria Caliniuc: "By Demoting Mayors the Government Endangers European Integration"]

[FBIS Translated Excerpt] A delegation of the Congress of Local and Regional Powers of the Council of Europe [COE], led by Alain Chenard (French Socialist Group), vice president of the Congress, carried out a two-day investigation in Bucharest. The delegation also included Rinaldo Locatelli, head of the Congress Secretariat, and Ernesto De Sabata, rapporteur for Romania. The purpose of the two-day survey was to investigate the situation of the 133 mayors demoted or suspended from office and was based on the report compiled by a team of Romanian experts led by Mr. Onisei, a member of the Congress. At the end of the delegation's mission in Romania, Mr. Chenard held a news conference.

The conclusions of this investigation are most disturbing for the Vacaroiu government, especially since they also refer to Romania's image, will be included in a report that is going to be submitted to the Congress of the Local and Regional Powers of the COE on 31 May 1995, and will be submitted for the attention of the Parliamentary Assembly and the Council of Ministers of the COE. Mr. Chenard mentioned the fact that the delegation he was leading focused its interest on the situation of the 133 mayors who have been demoted or suspended from office, noting that the resignation of another 260 mayors was not normal either—something that brought about this investigation. [passage omitted]

The first conclusion of the investigation, which was reached quite easily after the alleged crimes committed by the mayors had been examined, was that the penal investigations and inspections were based not on facts but on people—that is, on their political preference and the "understanding" they showed toward the demands of prefects or the government. "In Romania, the prefect is a state within the state," Mr. Chenard said. The county leaders have unjustifiably strong power and this is at variance with the provisions of the European Charter on Local Autonomy, which Romania has signed but failed to ratify. "The demotion from office of a dignitary elected through the vote by another dignitary appointed by the government is nothing but proof of the lack of democracy" said Alain Chenard.

Chenard also stressed the fact that Romania's legislation has great shortfalls. It has a conflicting nature and can generate interpretations on the basis of which the "undesirable" mayors can be removed from office. At the same time, the action of demoting or suspending

mayors via a decision of the government or of prefects represents a flagrant violation of human rights through the nonobservance of the presumption of innocence. The delegation of the Congress of Local and Regional Powers of the COE expressed its doubt about the so-called local autonomy that the Vacaroiu government is proclaiming, considering that the law on local autonomy has not been followed—as would have been natural—by those legal norms that are necessary for its implementation, such as the law on local budgets, the law on local finance, and the law on communal property. The delegation also noted the fact that the act of demoting and suspending mayors shows an acute conflict between general interests and group interests, a conflict that is to the detriment of society.

Mr. Chenard offered a number of recommendations to the government and parliament regarding the way in which all these anomalies should be repaired. The most important, mainly through its implications, is the one referring to the modification of legislation and aligning legislation to international documents of which Romania is a signatory. It is necessary for this process to end before the local elections that are due at the beginning of next year. If not, the COE will be placed in a position in which it will not be able to recognize the validity of the elections. Another recommendation is that the rights of all the abusively demoted or suspended mayors be restored, and it is compulsory that they be granted material and moral compensation for the period during which they were prevented from fulfilling their mandate. Likewise, it is necessary to achieve the democratization and decentralization of the judicial system, so that the prosecutors who became accusers during the trials against the mayors should receive their orders from the minister of justice.

Without enjoying the failure recorded by the Vacaroiu cabinet on the issue of the demoted mayors—because this also involves a far from favorable image of our country at the COE—we cannot help but remark on the fact that the investigation and the conclusions of the delegation of the Congress of Local and Regional Powers of the COE should draw our rulers' attention to the effects that their actions have on the issue of European integration—especially if they really desire a real and rapid integration, as they proclaim in their statements.

Government Questioned on Euro-Atlantic Integration

*AU0905183595 Bucharest AZI in Romanian
4 May 95 p 3*

["Interpellation for the Minister of Foreign Affairs" signed by Adrian Severin, vice president of the PD and

head of the PD Parliamentary Group, and PD Deputy Victor Bostinaru]

[FBIS Translated Text] The parliamentary group of the Democratic Party [PD] took note with the greatest concern of the statements issued by the president, government, and leaders of the major ruling parties of Romania that refer to the fact that Romania refuses to apply certain decisions of the Council of Europe [COE], believing that only certain European norms have a compulsory nature while others do not. Likewise, according to the same statement, the COE's recommendations are presented as a form of interference in Romania's domestic affairs, completely ignoring the fact that Romania became a member of the COE of its own free will and, therefore, it accepted to align itself to all the COE's standards with a view to achieving full European integration. Moreover, Adrian Nastase, leader of the Social Democracy Party of Romania [PDSR], the major ruling party, speaks about a virtual "colonization" of Romania by the COE—statements that generated a real frenzy of Euro-skepticism and even Euro-phobia among the public.

The statements in question remind us of the discourses of the cold war; however, they have no precedence in the posttotalitarian period.

Without mentioning at all the essence of the European documents, which were presented as the reason for such a public stand, we are legitimately asking for a reply to the following:

1. Is there any fundamental change in Romania's foreign policy as regards the Euro-Atlantic integration?
2. If one has given up the idea of European and Euro-Atlantic integration as a strategic priority of Romanian foreign policy, then what is the strategy that has replaced it?
3. If our country does not integrate completely into the European and Euro-Atlantic structures, how does the Romanian Government see the way in which a possible danger from the east can be counteracted—if Russia decides to keep its armies on advanced position (one can see the decision regarding the preservation of the 14th Russian Army in the Dniester region), and decides to restore its sphere of influence and security in the so-called close neighborhood (which can also include Romania)?
4. If the Romanian Government has not abandoned the policy of European and Euro-Atlantic integration, how does it think such a policy can be fulfilled if the European standards are applied selectively, if a hostile position against European and Euro-Atlantic institutions

is promoted, and if the population is being instigated to take up an anti-European attitude?

[signed] Adrian Severin, president of the PD Parliamentary Group; Victor Bostinaru, [PDSR] deputy

PD Official Notes 'Lies' on Recommendation 1201
AU0905183695 Bucharest ROMANIA LIBERA
in Romanian 4 May 95 p 3

[Article by Dorina Baesu and Ana Maria Vintan: "Because of the Romanian Leaders' Attitude Toward Recommendation 1201, Romania Is in Danger of Being Suspended From the Council of Europe"]

[FBIS Translated Text] During a news conference he held yesterday, Adrian Severin [vice president of the Democratic Party—PD] "disclosed" the "lies" that have been told so far in connection with the famous Recommendation 1201. According to Severin, this recommendation does not have to be confirmed by the Council of Ministers in order to become compulsory, as Adrian Nastase [executive president of the Social Democracy Party of Romania] has claimed. The fact that it was passed in the Parliamentary Assembly confers on it the character of a directive and of an international document, which has to be observed by all countries that are Council of Europe [COE] members.

The second "lie" is that the Recommendation was rejected by the Council of Ministers. This never happened.

The third "lie" is that the recommendation has a compulsory nature but not for all countries. The amendment that reconfirms it is part of a directive that includes provisions that are compulsory for all the states that are COE members. According to Severin, one can even speak, here, here of a victory for Romania, because an equal treatment for all has been achieved. At least formally, there are no first or second rank countries. If they do not observe European norms, France or England can also be monitored, and even sanctioned. As far as we are concerned, everything depends on us. (Also in a "formal" way?)

Another "lie" is that [PD president] Petre Roman allegedly called Severin to account for his behavior in Strasbourg. "Petre Roman said only that he is going to ask me to give some details, and in no way was he asking me to account for anything," said Mr. Severin, adding that the PD president expressed his belief that he (Severin) had acted properly.

The "threatening" statements made by Ion Iliescu and Adrian Nastase, as well as "the hysterical atmosphere" surrounding the Recommendation provoked "astonishment" at the COE, said Severin, who also mentioned

that "one of the influential European parliamentarians" (who?) was ready to ask that Romania be suspended from the COE. Has he changed his mind only because he saw that, nonetheless, in Romania there are forces that find it normal to respect European norms (himself certainly)? Severin believes that the entire scandal was provoked by the fact that "there are some interests that there should not be tranquility in this area, that there should not be peace between Romania and Hungary, and that our country should not be admitted to NATO and the Western European Union, thus remain in Russia's sphere of influence."

Will there be more tranquility with an autonomous region of Hungarians in Romania? Mr. Severin did not say so but seems convinced that there will be. However, he did not convince us....

'Arab' Businessmen Want Protection From Gypsies
AU0905183295 Bucharest EVENIMENTUL ZILEI
in Romanian 4 May 95 p 8

[Article by Monica Radoi: "One Hundred Arab Company Owners Held a Protest Rally in Front of Government Headquarters Requesting Protection From the Gypsies"]

[FBIS Translated Text] Yesterday afternoon at about 1800, approximately 100 Arab company owners held a protest rally in front of the government headquarters, requesting that the police crack down on the Gypsies who steal their merchandise and extort from them hundreds of millions of lei as protection taxes. They then delegated two company owners, who entered Victoria Palace [government headquarters] and held talks with an official representing the police. The police deployed four armored vehicles, a bus filled with policemen, and four jeeps.

"We come from various Arab countries and own companies in Romania. We have now come to the govern-

ment because they could perhaps persuade the police to protect us from the Gypsies. One of our storehouses at Voluntari was broken into by Gypsies, who stole all the merchandise and then requested 200 million lei as ransom money. We were scared so we have already paid them 100 million, but last night 25 Gypsies armed with ninja swords and revolvers raided my brother's shop and threatened to kidnap his children and kill him if he does not pay them the remaining 100 million lei. About 12 days ago they threatened another Arab company owner as well, telling him he will be killed and his children kidnapped if he does not pay them \$38,000," an Arab company owner told our reporters. He refused to reveal his name because he feared the Gypsies could discover his whereabouts and kill him.

At 1920 the delegation of the protesters returned and announced that if the police do not do anything within the next 24 hours, they will summon all Arab company owners throughout the country to gather on Friday [5 May] in Victoria Square, which they will not leave until the police take necessary steps to protect them. "We will shut everything down, including Flora and Voluntari [major wholesale markets]—all our retail shops—and will gather here," they announced.

At about 1930 General Nicolae Nitu, the head of the Capital Police, arrived in the square and requested that the protesters clear the place and one of their representatives go to Police Precinct No. 1, where Colonel Popa will deal with the case.

"Why are you doing this? This is a law-governed country. You should turn to me if you have problems. Don't you ever do this again! Come to Precinct 1, where we will sort out the problems," he told them.

At 1940 the Arab protesters got into approximately 60 cars and left Victoria Square.

Article Views Drnovsek's Purge in LDS
AU0905114495 Ljubljana MAG in Slovene
20 Apr 95 pp 14-17

[Article by Vinko Vasle: "Replaced, Forgotten, Suspicious..."]

[FBIS Translated Excerpt] A serious row between [Prime Minister] Dr. Janez Drnovsek and [State Chamber Speaker] Jozef Skolc has been going on since the local elections. The ZSMS [the former Socialist Youth Alliance of Slovenia] faction, which is close to the president of the state Milan Kucan, cannot swallow the fact that Vika Potocnik did not run for mayor of Ljubljana. When Jozef Skolc said in Metlika last December that the candidates of the LDS [Liberal Democracy Party] in some municipalities were not exactly the most suitable he was primarily referring to Dr. Dimitrij Rupel. Rupel sensed this in Skolc's speech and offered to step down from his nomination, however, Drnovsek convinced him otherwise and Drnovsek's faction thus controls Ljubljana.

Compromised and Anonymous

That is why Kucan and Drnovsek have not met for a long time and even when they do meet their meetings merely involve courtesy gestures. Meanwhile, the LDS is being purged and staffed for the forthcoming parliamentary elections. Drnovsek and his faction believe that nobody who has compromised himself in any way should run at the forthcoming elections. In this way he wants to get rid of, for example, Janez Kopac, Peter Tancig, Igor Bavcar, and Joze Lenic (all involved in the R + 3 affair and the misuse of funds). Skolc and some others oppose this, maintaining that Drnovsek must clear fellow party members of all guilt and that the party must shield them. The outcome is rather uncertain, however, the fact is that some people that have been rather anonymous so far are now gaining prominence.

Since 1990, the Liberal Democrats have pledged to be making turnabouts in their political life on several occasions, however, this was more of a pose than the truth. The first true shift that started to change the party from within and also in the public, was definitely the day when Dr. Janez Drnovsek consented to be the president of the Liberal Democrats. It was especially the distinctly formed pragmatic and politically ambitious segment of the party that saw in Drnovsek the salvation for the party, which was at the time ripe with conflicts and divided into "the left," gathered around Skolc, and "the right," led by Mile Setinc. While a segment of the party saw the possibility of a gradual transformation into a modern liberal party of the center in Drnovsek's arrival to its head, the left, that is, the ZSMS faction, merely

saw a "man with the image" in him who was supposed to restore the party's credibility and spare it from further attacks on "its historic mistake." All this passed without any major impact on the party's cadre structure, where the ZSMS faction had the strongest influence.

Purges of the Komsomol

This evidently proved to be hasty, as it soon became clear that Dr. Janez Drnovsek did not wish to be merely a party mascot but wanted to participate with his ideas and influence in the profiling of the party. Also, he was spurred by altogether private political ambitions, since the plan to conquer parliamentary and government power had been conceived within the liberal circle during the negotiations on Drnovsek's presidency of the LDS. Drnovsek, of course, knew well the party and its cadre, burdened with all sorts of baggage from the past, and he thus made the first move in "the purge" of the party when he formed his cabinet, following Peterle's ousting, thus provoking outrage in the party leadership. Jasa Zlobec initiated an interparty correspondence and in one of the letters accused Drnovsek of deliberately ignoring all those who had held the party together to date. [passage omitted]

Wings and Factions

The removal of two men, namely Jasa Zlobec and Franco Juri, to ambassadorial posts, was a part of the political neutralization of the ZSMS wing in the LDS. With the Bled merger congress, Dr. Janez Drnovsek skillfully outmaneuvered his own party as well as small parliamentary parties that had some influence and sported interesting names (Bavcar, Rupel, Kacin). The Bled congress was in a way "a threat" to the Komsomol in the LDS, namely, that they were not indispensable, however, from a political angle the merger also took care of the parties that could hinder Drnovsek's ascent to power at the elections.

So what is the current balance of powers in the LDS and who actually controls it? Conditionally, the Liberal Democracy is today represented by the following factions: The ZSMS (Jozef Skolc, Vika Potocnik), the yuppie (Janez Kopac), the entrepreneurial (Edvard Oven), the pragmatic (Janez Drnovsek), the democratic (Bavcar, Rupel, Kacin), and the green faction (Tancig, Seserko). [passage omitted]

Fallen Angels

The entrepreneurial faction has sunken and no longer plays any important role in the political life of the LDS. [passage omitted]. The strength of the ZSMS liberal faction is still represented by the State Chamber Speaker Jozef Skolc and deputy Vika Potocnik, however, this

part of the LDS lost its power during the party debates on what to do with Janez Janša after the Depala Vas incident, when a segment of the party did not favor such a rigorous showdown. Tone Anderlic and Gregor Golobic, who were often labelled "the party lumpen proletarians," have not only maintained their position in the party hierarchy but even strengthened it. An interesting case is that of Gregor Golobic, who enjoyed the reputation of a big Komsomol but then turned into an important Drnovsek ally and a successful party apparatchik. [passage omitted]

Janez Kopac, who personified the yuppie generation of the Liberals, is encountering the fate of another famous Liberal Democrat, Mile Setinc. They both counted on a successful political career, however, they failed. [passage omitted]

Bavcar's Legacy

Slavoj Žižek made an interesting party career in the LDS. While during the first major faction conflict he sided with the right wing (Pavel Gantar, Mile Setinc) and personified a sort of sane and philosophical core of liberalism, he now occupies the place of the official ideologist of the Liberal Democracy, who must defend in a very unprincipled manner the unacceptable and harmful moves by the party, that is, its individuals from a sort of libertarian "philosophical" position. Žižek introduced the abuse of certain philosophical maxims based on "science" into Slovene party life.

Although the affiliated parties, especially the Democrats and the Greens, helped Drnovsek consolidate power within the party and shake the power of the Komsomol, they did not succeed in what some had forecast on the occasion of the merger, namely, that some Democrats, Dr. Dimitrij Rupel, Igor Bavcar, and Jelko Kacin, would make an important impression on the party and would

even threaten the positions of some "original" LDS members. Not only were the Democrats regarded as prone to conflict and to breaking up coalitions, but also as political upstarts, who have already changed several parties and were thus unreliable. Jelko Kacin got the best deal of all with the post of defense minister, however, the party's opinion regarding his involvement in the police investigation of his traffic accident was that it would have been more prudent had he kept quiet, and it was a fortune in misfortune that he "escaped" any sharper polarization in the party and public over his ill-conceived concept of the military parade.

Suspicious Tancig

The representatives of the Greens, the Ecological Social Party, ended up as total losers in the united LDS. For this reason Dr. Leon Sesterko is thinking about forming a new green party, together with Dr. Dusan Plut, since the pragmatic LDS failed to show any interest in resolving ecological problems in Slovenia, which is something that should have been clear to the greens prior to their merger with the LDS. The Crime Department has for the second time pressed charges against deputy Dr. Peter Tancig, who is suspected of financially abusing his position as Minister of Science and Technology to benefit the party. The Liberal Democrats are publicly trying to reduce the repercussions of this affair on the party's reputation, however, they know that this is very harmful to them. The proof is the housing affair, which has cost the LDS many votes at the local elections. For this reason Tancig is expected to resign soon in the interest of the party and he has supposedly already agreed to renounce his deputy's immunity and to submit to a court investigation. The alternative, and Drnovsek also believes this, would prove too costly for the party at a time when a new electoral wave is just picking up....

Serbia

Akashi, Milosevic Hold 'Encouraging' Talks

AU0905200295 Belgrade RTB Television Network
in Serbo-Croatian 1730 GMT 9 May 95

[Statement by Yasushi Akashi, UN special envoy for the former Yugoslavia, in Belgrade on 9 May; Akashi speaks in English with superimposed Serbo-Croatian translation—recorded]

[FBIS Translated Text] I had encouraging talks with President Milosevic. We reviewed the entire situation, the very tense situation in Croatia, particularly in Western Slavonia, and we also reviewed the confrontation problems in other areas. Moreover, I also discussed the conflict in Bosnia-Herzegovina with President Milosevic. The United Nations believes that this tense situation has to be resolved as soon as possible.

Tensions in Western Slavonia are subsiding and the United Nations has almost complete freedom of movement, as do other international monitors. We are at liberty to visit the reception camps, and this morning we started registering the Serbs who wish to leave the area of their own free will. The people who have expressed the wish to leave may have started crossing the bridge on the Sava River. Not only the United Nations, but also the ICRC [International Committee of the Red Cross], the European Union monitors, the UN High Commissioner for Refugees, and many international journalists are there and can see for themselves that human rights are being observed and to make sure that there is no maltreatment.

We are also working on relaxing the tension between the forces in Sectors East, North, and South, in the separation zones. Confrontations do occur, and I am trying to defuse these as speedily as possible. I am moreover trying to get the Croatian Armed Forces and the Krajina Serb forces to meet, after which they would simultaneously withdraw from the separation zones.

'Majority' of Serbs No Longer Want To Fight

AU1005071095 Paris AFP in English
0212 GMT 10 May 95

[By Milan Dragovic]

[FBIS Transcribed Text] Belgrade, May 10 (AFP)—The fall of Western Slavonia to Croatian forces has angered Serbia, but with President Slobodan Milosevic making it of little account, the vast majority of people here no longer think of going off to fight alongside their ethnic brethren in Krajina.

A week after the Croatian attack on the Serb secessionist enclave, there are no signs of tension or mobilization in

Belgrade, which lies 150 kilometres (90 miles) from the Croatian lines.

The Yugoslav Government condemned the Croatian offensive in measured terms and refrained from any threat of reprisal, saying it looked to the UN Security Council to settle the problem of Krajina, a stretch of Croatian territory held by Serbs since the war of 1991.

"By virtually turning his back on Krajina, after leaving the Serbs of Bosnia in the lurch, Milosevic is hoping to provide the international community with a new token of goodwill and get the sanctions against his country lifted," a member of the ruling Socialist Party explained.

The nationalist opposition has been railing about massacres and denouncing Milosevic for being soft, while the moderate movements are preaching appeasement. The army has said and done nothing, and western military sources said there were no signs of any orders to mobilize.

The public at large is getting only a trickle of news about the situation from the official media, which are exercising restraint.

Television is showing only positive aspects relating to a return to normalcy, such as the negotiations for the withdrawal of Croatian troops and the first batches of freed Serb prisoners. The main newspaper POLITIKA has this week confined its reports to the inside pages.

By dint of hearing their leaders repeat pacifist slogans incessantly and reiterate that the problem ought to be settled between Krajina and Zagreb, Yugoslavs have over the months sunk into indifference.

The war is no longer the leading topic of conversation in Belgrade's cafes. Last Sunday [7 May] only several hundred people responded to a call from nationalist movements to gather at Saint Sava, the capital's biggest church, where Patriarch Pavle was saying Mass for the victims of what the Serbian Orthodox Church is calling "new genocide."

Serbian Radical Party (SRS) leader Vojislav Seselj has not been mincing his words the past few days, lashing out at Milosevic as a "traitor" to the cause of Krajina. He lambasted the "criminal regime" for urging Serbs in 1991 "to fight, arming them and promising unification of all Serb territories, only to let them fall at the end."

The day after the Croatian attack, the SRS called for volunteers to enroll for battle in Krajina, but according to reliable sources only about 100 have come forward so far. A paramilitary chief known as Arkan has been sighted in eastern Croatia between the Serb and Croatian lines and is said to be recruiting again. His previous force was virtually disbanded three years ago.

Western experts had agreed that Western Slavonia was going to fall into Croatian hands sooner or later. It could not be defended without military help from Belgrade. They said it was probable that the Croatian authorities had the more or less tacit agreement of Belgrade for a "limited operation" to "pacify" the region in return for a promise of non-intervention in the eastern sector adjoining the frontier with Serbia. That sector is of strategic importance for its oil and for access to the Danube.

What was not foreseen was the fierceness of the Croatian attack, which according to credible witnesses targeted whole columns of civilians, leaving a still unknown number of dead.

If there was a repetition of such excesses, it would be hard for Milosevic to remain indifferent again, said a western diplomat who noted that many officers in the Yugoslav Army were keen to take revenge.

Weekly Sees 'Major Test' of Knin-Pale 'Alliance'
AU0905151295 Belgrade NIN in Serbo-Croatian
5 May 95 p 12

[Commentary by D. Janjic: "The Collapse of the Alliance"]

[FBIS Translated Text] The capture of Western Slavonia by Croatian forces is a great military, but also political defeat, not only for Krajina, but also for the Bosnian Serbs, and their leaderships. The presidents of the republic of Serb Krajina (RSK) and the Srpak republic (RS), Milan Martić and Radovan Karadžić, have vigorously prepared a military alliance over the past several months, having loudly announced that they would "resist the aggression" together.

The battles in Western Slavonia were the first major test of the alliance that Martić and Karadžić had been talking about and the first practical evidence of its utmost groundlessness. Namely, neither agency reports nor any statement of Croatian officials or peacekeeping force officials mention that, on Monday and Tuesday, 1 and 2 May, during the military action of Croatian forces in Western Slavonia, the Bosnian Serb forces joined the fighting in any way. As early as March this year, both Pale and Knin proclaimed that they had formed a collective defense council, that is, the joint Supreme Military Command.

On Monday, 1 May, Karadžić announced joint military actions by Knin and Pale, but the confirmation of his announcement was missing during the Croatian military operation. In the afternoon hours, the 1st Krajina Corps issued a statement saying that Bosnian Serb forces, despite Croatian attacks on their territory, did not take

part in the conflicts and that they "had no intention" of doing so.

The idea of the political unification of RS and RSK has been disavowed, if not even made utterly impossible, through an easy and rapid Croatian victory in Western Slavonia. Namely, it proved that both Knin and Pale had, so far, been mainly "showing off" with the unification when they needed it and that they could not make use of it when the Krajina was threatened by a serious danger.

The Croatian victory, as well as the fact that there are at least several hundred Serb soldiers and a whole military hospital with several hundred wounded soldiers encircled in Western Slavonia, point to the weakening of Serb military power. This victory will be a strong stimulus to the Croatian Army for new "limited" actions directed at "the reintegration of the occupied territories."

Government To Investigate Shift in Exchange Rate
95BA0213F Belgrade BORBA in Serbo-Croatian
29 Mar 95 p 5

[Article by D. Selesa: "Red Light to the 'Wildness' of the German Mark"]

[FBIS Translated Text] The government should take the most vigorous steps against those responsible for disrupting the exchange rate of the dinar and the German mark—was the demand of business people at yesterday's meeting of the Presidium of the Serbian Chamber of Commerce (PKS). PKS president Vojko Stojiljković wondered who was pursuing what objectives in trying these past several days to threaten the stability of the dinar and prices, and on that account the business and loans of 106 banks in Serbia should be investigated. Money that was supposed to be invested in production and agriculture has not arrived there in sufficient amounts, and, in addition to the drop in exports, we have pronounced and unnecessary administrative regulation of the economy, Stojiljković said. These are the main reasons for the disturbed exchange rate of the mark on the black market.

Enterprises do not have any reason for nervous and monopolistic behavior at present, Stojiljković believes, nor any reason to incorporate a high exchange rate of the German mark in the prices of their products and services. After all, this could have dramatic consequences for production and the market. He called upon business firms, institutions, and banks to show financial discipline, and regional chambers of commerce should see which firms have overnight raised the prices of their goods 100 percent or more. A specific demand will be sent to the competent government agencies to investigate the who, how, and why of the sudden rise in the

exchange rate on the street, and urgent action is being demanded.

"We believe the National Bank of Yugoslavia [NBJ] and federal government are correct in their decision that devaluation of the dinar is not an advisable measure at this point. The sudden jump of the German mark on the black market does not follow economic logic and is the result of premeditated and well-timed speculations with the objective of undermining the economic program. The stable dinar is achieved by increasing exports and standing in the way of unnecessary imports. That is why a package of measures must be adopted to speed up the country's foreign trade," said Momir Pavlicevic, a member of the PKS Presidium. More effective measures to stimulate exports and return money to the flows of production and banking, and preventing it from flowing out into "gray" channels, so that the banks can do more credit financing are the possible solutions, Pavlicevic added.

The position of the PKS is that when the Decree on Wages and Salaries expires, which it does at the

end of March, they should no longer be regulated by that document. Amendments and supplements to the General Collective Agreement would determine wages and salaries for the next three months. The guaranteed wage would be increased from 90 to 100 dinars, the highest amount would be five average paychecks in the particular enterprise, and the framework for the level of wages and salaries would be in groupings and individual collective agreements, the resolutions of that meeting stated.

Judging that in the first quarter of this year there had been a disturbing drop of production and more pronounced illiquidity, most of the business people demanded adoption of a package of short-term measures for the coming period, along with a clear effort to straighten out the monetary chaos. "Unless clear instruments are established and the program for economic recovery operationalized to the end of the year, the economy will drift like a ship without a helmsman," Desimir Mistic, director of Kablovi in Jagodina, said in the discussion.

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